Soviet Afghan Offensive

Is the Biggest in 2 Years

PARIS, THURSDAY-FRIDAY, DECEMBER 24-25, 1987

# Israelis Act to Stop Disorder, Seize Hundreds of Palestinians

By John Kifner New York Times Service JERUSALEM - The Israeli Army arrested bundreds of Palestinians in sweeps as the govern- patrols met only scattered inci-Wednesday to smother two weeks In other developments

night. Heavy reinforcements of troops were evident Wednesday in the West Bank and Gaza Strip. Jabalya Camp, a center of pro-test in the Gaza Strip, was sealed off by the army. Outside of Bethle-

By David B. Ottaway

Union has opened its biggest mili-tary operation in Afghanistan in two years, with 10,000 Soviet and

Afghan troops fighting their way across a mountain road closed for

seven years to break a siege by

U.S.-armed guerrillas of the long-isolated garrison town of Khost,

The unusual winter offensive, at

a time when Soviet leaders are in-

creasingly talking about withdrawing their troops from Afghanistan, has puzzled U.S. military analysts.

Russians can keep the road open, even if the combined Soviet-Af-

ghan force reaches Khost.

They said there was no way the

"Militarily it doesn't make much

sense," a Pentagon official said.
"Maybe while withdrawing they

want to show they are not going to be run out of the country, that this is a good way to show your re-

Other officials said the Russians,

who have had great difficulty in resupplying the Khost garrison by

air this year, might have feared that

losing the soutbeastern town to the

guerrillas would have been a seri-

ous blow to the shaky Soviet-

backed Kabul government.
Pentagon officials said that an

Afghan Army division was based in

according to Pentagon officials.

Washington Past Service
WASHINGTON — The Soviet

Troops also surrounded the Amari refugee camp near Ramullah. In a cold, drizzling rain for much of Wednesday, the reinforced army

In other developments, the UN of disorders in which at least 22 Security Council adopted a resoluprotesters have been shot to death, tion strongly deploring Israel's The sweeps began Tuesday handling of the disturbances in the occupied territories. The United

States abstained. All 14 other coun-

cil members voted in favor.

The resolution "stroogly deplores" Israeli policies and pracuces in the occupied areas that "vihem, soldiers put up barricades of the human rights of the outside Dheishe refugee camp, al-lowing only pedestrian traffic. lar the opening of fire by the Israeli

Khost. The Afghanistan leader, Major General Najib, announcing

on Nov. 29 his government's inten-tion to break the Khost siege, said

40,000 people were trapped there.
Pentagon and State Department

officials said the Soviet-Afghan of-

fensive appeared to be the largest

For three weeks now, the Rus-

mountain pass that has been under

attack from 5,000 to 10,000 Afghan

with "very heavy artillery support,"

mortar "to compensate for reduced

The report estimated that total

See OFFENSIVE, Page 6

Panisher Valley in 1985.

resistance fighters.

ment esp

ground forces.

Army, resulting io the killing and wounding of defenseless Palestinian civilians.

[The Foreign Ministry formally protested the United States' failure to veto the UN resolution. The Associated Press reported from Jerusalem. A statement defeoded Israel's actions in dealing with Arab rioters and said that Israel was doing its utmost to maintain order in the area "while displaying the high-

est degree of self-restraint.")
Outlining the clampdown before
parliament, Defense Minister Yitzhak Rabin said: "We will fight with all our power against any element that tries by violence to upset our full control over Judea, Samaria and the Gaza Strip," using the Bib-lical names for the West Bank fa-

rored by the Israelis. The army began its crackdown with sweeps through the refugee camps and some Arab areas outside the occupied territories, rounding up suspects for interrogabe ringleaders.

The Palestine Press Service put the number of arrests at about 350. including about 100 in the Gaza Strip. The military command confirmed the arrests were going on, but refused to give any numbers. In Nazareth, io Israel itself rather than the occupied territories.

since those cooducted in the about 100 suspects were rounded up for questioning and 55 held, Israel radio reported. sians have been trying to push through to Khost from Gardez, the In detailing the tough policy, af-ter a series of meetings of the top military officials to determine how capital of Paktia Province, 70 miles (115 kilometers) away. They have Israel would deal with the unrest, been held up primarily by a twist-ing and heavily mined 15-mile which has ranged from crowds throwing rocks and Molotov cock-

tails to strikes, Mr. Rabin said it

could result in "hundreds of ar-The Pentagoo official said the Mr. Rabin, since his return from Russians have been seeking to pora trip to Washington this week, bas been pressing for hard action. Ze'ev Schiff, the military analyst of the tray the Khost campaign as an Afghan Army operation, but that half of the 10,000 troops involved were daily Ha'aretz, wrote that the po-A State Department official said licy eotails a willingness to make more use of force against rioters.

Monday that the Russians have backed up their Khost campaign The army has ordered shut about 800 schools on the West Bank and a lactic increasingly used this year to combat the Afghan guerrillas. This is because effective rebel 92 in the Gaza Strip in order to prevent them from becoming rallyng or assembly points. Several universites have also been shut.

use of U.S.-supplied Stinger and British Blowpipe anti-aircraft mis-The defense minister's report to siles has gone a long way toward neutralizing Sovict-Afghan air the Knesset, or parliament, came at a tumultubus session in which a power, according to U.S. analysis. number of rightist members, angry A State Department report on that Arabs who are Israeli citizens the eighth year of the Soviet occujoined a general strike to support ued Monday, said that Palestinians, called for the reimpothe Soviet Union throughout 1987 sition of military law on Israeli Ar-"continued to pour new equip- abs.

"Soon they'll be throwing rocks country." This included the best on us right here," said Guela Co- secret in both countries since then, Soviet self-propelled artillery hen, a vocal member of parliament. according to these sources. pieces, including two types of so-phisticated 152mm canoons, a Rafael Fitan, the army chief of staff during the 1982 invasion of tant unilateral reduction of U.S. Lebanon and now a Knesset member, said the only effective method since France closed U.S. installa-122mm howitzer and a new 82mm air support" of Soviet and Afghan was to load the leaders of the dem- tions in 1966 and withdrew from onstrations oo trucks and "kick the North Atlantic Treaty Organithem out.

The strike by the Israeli Arabs bitter and divisive dispute that offi-appears to have been a shock to cials in both countries say they Soviet-Afghan plane losses from rebel aoti-aircraft missiles and guns this year were "io the range of 150 to 200 aircraft" and that "for have been successful in avoiding any Israelis.

Remarking on the strikes in a until now. some periods" the rate reached one speech the other eight. Frime Min-ister Yitzhak Shamir said that "the government was surprised by the Both Pentagon and State Department officials said the Sovietforce of haured in disturbances and on U.S. efforts to arrive at new Afghan relief force had been makattacks in cities such as Lod, Jeru-salem, Jaffa and Acre." basing agreements in Greece and the Philippines and to resolve dis-

Contra Chief, Claiming Success, Says

Troops Leaving Nicaragua Mine Area

Israeli soldiers in a Bethlehem street on Wednesday. Madrid Is Said to Tell Washington

To Withdraw 72 F-16s in 3½ Years

By Jim Hoagland
Washington Pest Service
MADRID — Prime Minister Feline González has broken off negotiations with the United States over the stationing of three squadrons of U.S. F-16 lighter-bombers in Spain and has told Washington it must withdraw the warplanes within three and a half years, diplomatic sources disclosed Wednesday.

. The sudden decision by Mr. González to declare the departure

of all 72 F-16s from Torrejon air

base a "nonnegotiable" issue and to set a withdrawal deadline for

them unilaterally was conveyed to

the U.S. Embassy on Dec. 10. The

Spain's action is the first impor-

zation. It creates the potential for a

have indicated in the past.

The failure after 18 months of men stationed in Spain at a large F-16s.
naval station in Rota, air bases near Zaragoza and Seville and on nine small communications facilities.

putes with Turkey and Portugal 1986 by ordering the departure of over existing defense accords,
Loss of the three F-16 squadrons, which make up the 401st Tactical Air Wing, is likely to mean the
lations and will sign a long-term withdrawal of all of the 4,500 U.S. agreement covering them after the airmen stationed at Torrejon and current accord expires in May.

closure of the base, which is located just west of Madrid, U.S. officials

cials are reported to have content

But some senior Pentagon officials are reported to have contended that the United States should what they see as an expulsion of the In an interview published

Wednesday by the Madrid maga-zine El Globo, the chief U.S. dele-

G-7 Statement Will Help Dollar By Carl Gewirtz around current levels." International Herald Tribune PARIS - The dollar made mod-

**Dealers Doubt** 

est gains in thin pre-holiday trad-ing Wednesday but foreign ex-change dealers were skeptical that Tuesday's policy statement by ma-jor industrialized countries would be sufficient to alter the currency's long-term downward trend.

The overnight statement on exchange rates from the Group of Seven — although widely expected following President Ronald Reagan's signing of a bill to cut the federal budget deficit — did have a positive effect in the absence of any sales pressure, dealers said. But they attributed Wednesday's gains to the fact that the market is basi-cally closed for the rest of the year. In New York, the dollar ended at 1.6335 Deutsche marks, up from Tuesday's close of 1.6280 DM, and it was also higher in London. (Page

But looking beyond the market's. present artificial caim, dealers saw nothing substantially new in the G-7 statement that was likely to reverse the pervasive negative sentiment concerning the outlook for

The key phrase of the new accord says officials agree that "excessive fluctuation of exchange rates," ei-ther up or down, "that becomes destabilizing... could be counter-

ment to action by the Group of Seven, which comprises the United States, Japan, West Germany, Britain, France, Italy and Canada. The statement said that the ministers "re-emphasized their common in-terest in more stable exchange

Beryl W. Sprinkel, President Ronald Reagan's chief economic adviser, made a point of this on Wednesday, saying that the new statement does not explicitly include a commitment to support the dollar at current levels.

Asked by reporters whether the United States had agreed with its allies to prevent a further decline in The failure after 18 months of pull out of Spain and launch a diplomatic campaign to punish Mr. allies to prevent a further decline in the other 8,000 U.S. service—what they see as an expulsion of the communique "doesn't say that."

European officials, on the other hand, were presenting the state-ment as a realfirmation of last February's G-7 pact. In that statement, known as the Louvre accord, offito foster stability of exchange rates

European officials stress that the objective is not to push the dollar up but to keep it from falling fur-ther. Tuesday's communique spe-cifically noted that either a rise or a fall could be "destabilizing."

But analysts say the new statement in fact represents a considerable watering down of the previous G-7 statement.

The new statement says the seveo will "cooperate closely in imple-menting policies to strengthen un-

The U.S. has lowered its forecast for '88 GNP growth due to the market crash. Page 9.

derlying economic fundamentals to foster stability of exchange rates."
In other words, analysts say, there is now a realization that official stabilization of exchange rates can work only if the rate that is being defended is consistent with improvement in economic funda-

To be credible, the prospect of official intervention in currency markets would have to include a readiness by the United States to raise interest rates. But given the reduced prospects for U.S. growth after the October crash in stock prices and the campaign for the presidential election next November, a hike in U.S. interest rates is widely believed to be out of the

One other possibility would be a willingness by the United States to issue foreign currency bonds that would show it was committed to stabilizing rates, but Reagan ad-ministration officials in Washington specifically ruled that out.

The basic issue for the dollar is how the huge U.S. current-account deficit will get financed. Current account measures trade in goods and services as well as interest, dividends and certain transfers.

The choices are: voluntarily, as until early this year, when foreign investors led by the Japanese were eager purchasers of dollar assets — stocks, bonds, real estate; or involuntarily, as in most of this year, by foreign central-bank intervention in currency markets.

The problem about intervention that limits exist on bow far for-

# Kiosk

seized by security police

officials said. State-run RAI television said the police captured the hijacker, believed to be a Dutch boy of Italian origin. He was identified as Adalgiso Scioni, about 15. The plane bad been on a flight

from Amsterdam to Milan. The hijacker had demanded 1 million guilders (about \$450,000) and threatened to blow up the Boeing 737, according to KLM officials. Italian news agencies reported earlier that the hijacker had claimed to be holding a clock rigged with explosives and threatened to blow up the plane if his de-



Colonel Oliver L. North. whose lawyer sought a pardon for him from the White House. Page 3.

GENERAL NEWS Manila's Christmas, marred by a ferry disaster, is labeled a "national tragedy." Page 2. Iran resumed loading of oil at its Larak Island terminal after an Iraqi air strike. Page 2. U.S. budget cuts are expected to have only a minimal impact on the deficit.

BUSINESS/FINANCE Durable goods orders in the United States last month were better than expected. Page 9.

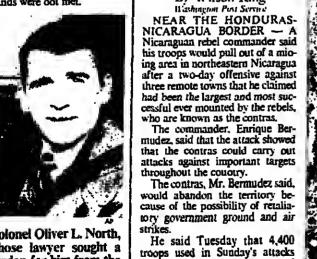
Dow close: UP 27.19 The dollar in New York: £ Yen 1,6335 1.8265 126.55 5.5275

### All Are Freed In Rome Hijack

ROME (AP) - A young hijacker of a KLM airliner was Wednesday night at Rome's Leonardo da Vinci airport, and all 97 people aboard left the

plane unharmed, cootrol tower

mands were oot met.



were withdrawing from the town of Bonanza. He added that the con-tras had left Siuna on Monday and had disengaged from combat around La Rosita, the only community not completely overrun. He said the troops were to return to "We hit them bard," he said.

"We achieved all our objectives." He spoke to reporters at a base in the jungle not far from the Coco River, which forms the border between Honduras and Nicaragua. The reporters were taken there on the condition that they not reveal its location.

The attack appeared to have been the most ambitious undertaking hy the U.S.-backed rebels in their six-year war against the leftist Sandinist government. But the area, about 150 miles (240 kilome-



The contra leader, Enrique Bermudez, with some of his

claims by either side. In Managua, the Sandinist gov-

their heels." ernment said its troops were in con- by Reuters, said at least 150 perters | northeast of Managua, is difficontras "are fleeing to their sanctu-See CONTRA, Page 6

troops in the jungle on Tuesday, speaking of the attack.

independent confirmation of aries with the Sandinist Army on The official press agency, quoted

Mr. González, who is keeping a Interpol Takes It on the Lam - to Lyon

grading its communications in proparation for the move, which is leave their present building in Saint scheduled in about a year.

Cloud, with its view across the Bois What this means, according to de Boulogne to the Eiffel Tower.

Antonino Lazzoni, an Italian police inspector who heads the Criminal Investigation Department, is attacked it in May 1986 and security around the building is intense, transfers to Lyon, police forces in most parts of the world will be able. Cloud turned down a request to transfers to Lyon, ponce rouses in most parts of the world will be able to retrieve details, mug shots and expand the existing headquarters.

Lyon stepped in with an offer of men to work without frontiers," men to work without frontiers, and an international school and help in relocating staff.

Trieval will be in real time, it will be help in relocating staff.

The make it possible for ponce-men to work without frontiers, and Mignel Chamorro, who previously headed the judicial police in Palma de Mallorca.

is likely to grow once the organiza-

Interpol, founded by the police forces of seven nations in Vienna in PARIS - The law's longest arm 1923, has been based in Paris since is growing longer. Interpol, the international criminal police organization, is moving from Paris to new high-tech headquarters in Lyon, in wanted. The secretariat now incompared to the contraction of th southern France. The secretariat now includes senior policemen from around the world and works in four general secretariat is putting all its records into computers and upgrading its communications. Officers say they will be sorry to

With the world's underworld services provided by Mr. Lazzoni's



formation on, for example, missing children, unidentified cadavers or

But Interpol has other behindgetting richer, more powerful and department — the keeping of re-more international all the time, po-cords on scores of thousands of and documentation center. It orgalice needs grow accordingly. Inter- criminals wanted in any of the nizes symposiums on police probpol is expanding to meet that need, member countries. Interpol's red-The present staff of 280, supported bordered notices "arrest with a rorism, does research on the links by liaison offices around the world, view to extradition" notices serve between narcotics and terrorism, Other ootices circulate seeking in- ners of the earth, follows the finan-

cial trail of money-laundering op-erations, keeps track of art thefts, and, perhaps most importantly, is a global coordination center for the fight against illegal narcotics. With cash proceeds so enormous they have to be weighed rather than counted, some of the big narcotics syndicates these days have more resources than many national police forces. And more often than not, the major trafficking operations are controlled from conn-

> making an international response indispensable. Paul Higdon, head of the secre-tariat's subdivision on drugs, likened individual forces trying to combat the narcotics trade to someone trying to identify an elephant from its toe. In Europe alone, seizures of cocaine reported to Interpol have increased from a little over 1.1 kilograms (2.5 pounds) in 1970 to more than 1.4 tons this year. Experts anticipate a serious resurgence of heroin addic-tion because of its availability and

nents other than the ones in which

the drugs are sold and consumed,

"Only from this perspective can we see the full scope of the problem," said Mr. Higdon, who is at See INTERPOL, Page 6

# A U.K. Yule: Squalor and Some Altruism

By Francis X. Clines New York Times Service

LONDON - Muttering about misery and a woman, Johnny Connors was drunk anew before noon, oblivious to Christmas caroling after reeling from the darkness of his makeshift card-board sleeping shelter. He ascended as a burned-out Orpheus from the dwellings that are jerry-built nightly down below the glittering South Bank arts center.

"If it's a misery that hits your heart, then you're destroyed," Mr. Connors declared, refusing to say more about the woman somewhere still troubling him, he said, after each blank night of drink and each recycling of time through such conspicuous non-occasions as

One flight up, well-dressed children were arriving for a Christmas pageant and Mr. Connors frightened a few of them as he staggered up to beg with his cane.

Among the 30,000 homeless in London this winter, Mr. Connors is one of the 3,000 who rough it by spurning the bed-and-breakfast welfare warrens and sleeping on the streets as the elite of the growing homeless population. He is a 50-year-old reminder that sometimes there is no Dickensian ending in the place where it was invented, only hard times and harsh words resonating unresolved across the Yuletide damp.

Some of the harshest words involve a governation of the harshest words involve a governation of the harshest words involve a governation of two and 800 volunteers to house

Some of the harshest words involve a government campaign to tighten immigration laws and deport Tamil refugees accused of exaggerating their plight. In the debate, a new bill to limit refugees' right of appeal was denounced by critics as "tawdry" toward humanity; critics were in turn accused of a "mealy mouthed" pretense of compassion. To further bank the mortals' discord, witness-

es in Parliament heard a previous Tory prime minister, Edward Heath, denounce the current Tory prime minister, Margaret Thatcher, for her plan to replace real estate taxes with a simpler poll tax. Mr. Heath said it rewards the party's affluent constituency at the expense of the poor in a spirit of electoral "hatred and revenge" in which, he charged, Mrs. Thatcher's habit was to treat critics as "the scum of the

His cry, so Dickensian in outrage, hardly slowed the tide of believers moving north along the Oxford Street shopping core where sales are booming, seasonal thieves are being arrested at the rate of 100 a week, and shoplifting is total-

ing \$900,000 a day. Charity is well in evidence, although some experts say it is all too seasonal an impulse. "It's almost not worth asking for help the rest of

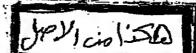
thousands of homeless and to raise more than \$700,000.

relatively low price.

One twist in seasonal generosity is the new charity for stabilizing trees rather than people because of all the storm damage last fall. As if in compensation, a new shopping service for the affluent, Dial a Christmas Tree, delivers a spruce quickly for as much as \$40, with 30 cents of the price donated to human charity — not the handsome Christmas splurge enjoyed by the Cratchitts, perhaps, but a nod of Noel for tax

Mundane aberrations of the season include the fistlight two fathers suddenly began in the aisle the other night at New End Primary School during their children's Christmas pag-eant. More prominently, there was the public call from James Anderton, a respected police constable and Christian fundamentalist, that flogging be restored as punishment for criminals. Mr. Anderton is no stranger to controversy, having denounced AIDS sufferers for swirling around in a cesspool of their own

However, Ian McKellen, the actor, is donat-See LONDON, Page 6



# Roh Says He Will Quit If South Koreans Show Disfavor in Plebiscite

By Clyde Haberman New York Times Service

SEOUL - President-elect Roh Tae Woo says he will give up the of confidence that he has pledged to seek after the 1988 Olympic

Mr. Roh, who was elected Dec. 16 with harely oce-third of the vote, said Tuesday that he would have to win a majority in the plebiscite on his performance, which he presumably plans to hold within the next year or so.

"Of course, if people say no in the vote of confidence, I shall resign," he said in an interview.

his ruling camp had been guilty of campaign misconduct.

But he insisted that the wrongdoing consisted of "partial, isolated irregularities" and not the widespread fraud that opposition candidates say was used to steal victory from them.

If anything, Mr. Rob said, the opposition was guilty of far worse. He said he had been put "at a disadvantage" because of the sporadic violent attacks that he encountered when campaigning in his opponents' regional strongholds.

with evidence of their own to show irregularities," Mr. Roh said. " l think we have more evidence to prove that they have engaged, too, in irregularities.

Mr. Roh was interviewed for 45 minutes in an office oear the headquarters of the Democratic Justice

Throughout, be spoke in a soft voice, consistent with his attempts to portray himself as an "ordinary who is different from the conl, aloof and unpopular incum-bent, Chun Doo Hwan.

Io reality, many South Koreans, perhaps most, are likely to regard Mr. Rob inically as an extension of President Chun when be begins his five-year term on Feb. 25. The two men are longtime allies who rose to power together in late 1979 as leaders of an uprising by relatively

young army generals. confidence idea forward in the final

DOONESBURY

LADIES, I STARTED

THINKING AST MAS

COMING OVER

he had no regrets, although the promise could come back to baunt

'I have set a goal," he said, "and presidency if he loses a public vote by doing so, I'm telling myself and people in the party who are around me to work hard to accomplish what has been promised." On another matter, Mr. Roh said

that he could bave woo the election even if rivals had set aside their differences and unified behind a single anti-government cootender. Combined, the two main opposi-

tion candidates, Kim Young Sam and Kim Dae Jung, had 55 percent of the vote. Altogether, including smaller parties, the anti-govern-Mr. Roh also acknowledged for ment forces had 63.4 percent, leaving the first time that some people in Mr. Roh with 36.6 percent and the headache of having to establish his legitimacy when he takes over in

"If the opposition came up with a single candidate, I expect that a considerable portion of the vote that went to it in a three-way race might have come to my support, and I could win even in that twoway race." he said.

He also said in response to a question that the "overwhelming majority" of South Koreans believe that the two Kims should get out of politics. "I know that from reports "If the oppositioo can come up to the oewspapers and other dis-the evidence of their own to show plays of public opinion," he said.

"And I think the two Mr. Kims themselves know how the people feel about that," Mr. Roh added. It was clear, however, that the

ing, and Kim Young Sam, who finished second last week, said that his tions. party was already preparing for an-other key test — National Assemhly elections that will be held early next year.

separate interviews Tuesday. Kim Young Sam and Kim Dae Jung seemed dispirited and at a loss about what to do oext.

For now, though, the popular mood seems to be to blame them for having let ambidon get in the way, thereby splitting the anti-gov-

Clash in Seoul

Christmas shoppers fled from Mr. Roh, 55, put the vote-of- tear gas and gasoline bombs on Wednesday when students and disdays of the campaign to give his sidents protesting against the alcandidacy a last-minute boost. On leged rigging of the presidential through an interpreter, be said that Seoul, Reuters reported.

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WAS IT BECAUSE ALL MY PRE-

DECESSORS WERE WEAK?





BREATHTAKERS - Four young women in Tokyo paus- containers being sold at a department store bar. The ing for a three-minute bracer of pure oxygen from mini-

# National Tragedy Mars Manila Christmas

By Barbara Crossette New York Times Service

MANILA - The mile or two separating the glittering hotels of Manila from the garbage-strewn North Harbor docks of the Sulpicio two Kims had oo intendoo of retir- Shipping Lines measures the distance between two Filipino na-

> Christmas is a holiday of im-mense importance in the Philippioes, the only predominantly hristian nation io Asia.

Rich or poor, Filipinos head for Manila to spend the holiday with their families. The well-to-do travel by plane,

the poor hy inter-island ship. On Sunday, one of Sulpicio's in-

ter-island passenger ships, the MV Dona Paz, sank in flames with at least 1,500 people on board - sur-vivors say the figure may be much higher than that — after a collision with a small oil tanker. There were only 26 confirmed survivors.

been found, The Associated Press reported from Manila.]

MEAK? THOSE PEOPLE AND COULD WORK ON THEIR STAMP COLLECTIONS

EIGHT HOURS A DAY, AND THEN

6070 COL-

SHOOT QUAIL FOR ANOTHER FOUR

PISTHAT WHY THEY DIDN'T

HAS PROBABLY LED THE

LORDS IN A RESOUNDING

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President Corazon C. Aquino calted the accident one of the worst io maritime history, "a national tragedy of harrowing proportions."

She called on the more fortunate to help the families of the Dona Paz victims, most of them poor. "Our sadness is all the more painful because the tragedy struck with the approach of Christmas," Mrs. Aguino said in a statement read by her press secretary.

In the better seafront neighborhoods of Manila, there are string orchestras, women in pastel gowns and choirs singing carols as this city swings into its peak social sea-

Wide-bodied jets disgorge thousands of revelers home from ahroad, bearing electronic toys and other expensive gifts.

Not far from the fancy neighborhoods, along the harbor past some of Asia's worst slums, Rupa Narido waits mutely in her worn housekeeper's clothes at Sulpicio's water-[The Philippioe Navy said from office, As she sits under the Wednesday that 141 bodies have glare of oeon lights, the only front office. As she sits under the sounds around her are sohs. Her sister is missing.

BECAUSE

THEY HAD

NO PLAT-

FORM ON

*WHICH TO* 

STAND!

NO! IT WAS

BECAUSE

THEY WERE

AIRHEADS!

DING, DONG! 1

THE WITCH IS DEAD!

The passengers oo the Dona Paz, too tanker, the MT Victor, were some of them dislocated by a typhoon that swept their islands earlier this month, were looking for-

happiness, maybe even a job. "We had a telegram saying she was coming on the Dona Paz." a relative said of Narido's missing sister, Consolacioo Narido Garcia. "We came two hours on a bus to meet her.

a Coast Guard official said, they

had family, warmth and support,

Five Coast Guard ships, two commercial vessels and divers are searching in the area where the

reported to have gone down. A Coast Guard official said on Tuesday that he thought the waters where the search was concentrated might be more than 1,700 feet deep. ward to Christmas in Manila. Here, Clouds and occasional squalls were also hampering search efforts.

> ■ Owners File Complaint The owners of the Philippine fer-

ry that sank filed a formal complaint oo Wednesday, saying the tragedy happened because their vessel was rammed by a tanker. Reuters reported from Manila. The Coast Guard said it would open 2.215-ton Dona Paz and the 629- formal hearings on Monday.

# Sri Lankan Party Chief Killed in Car Ambush

Compiled by Our Staff From Dispatches COLOMBO — A gunman shot and killed the chairman of Sri Lan-ka's ruling United Naucoal Party and three members of his staff on

Wednesday, police said. They said Harsha Abeywardene was killed when the gunman fired an automace rifle and buried a foray last weekend to the rebels hand grenade at his car in Colom-

were thought to be from the outlawed Janatha Vimukthi Peramuna (People's Liberation Front), police and party officials said.

Aheywardeoe's bodyguard, his driver and a servant, were declared dead oo arrival at Colombo Gener-

Witnesses said the two men had been waiting about 300 yards (274 meters) from Mr. Abeywardene's house pretending that they were repairing a hicycle tire.

As the party leader's car ap-proached at about 10 A.M., one of

them took a rifle that was hidden in a wooden box and opeoed fire, po-The gunman then tossed a hand

grenade into the car, destroying it and scattering parts across the — A giant storage tanker at Iran's street, police said. The gunman and Larak Island oil terminal was operhis accomplice escaped on foot.

young Sinhalese who oppose the quarters following an Iraqi air at-Indian-Sri Lankan agreement to tack, shipping sources said. end the Tamil minority rebellion. Police say it has killed about 265 officials or supporters of the ruling resumed passing oil to a waiting tourism office said Wednesday. party since the pact was signed in

July.
Mr. Abeywardene was re-elected chairman of the party at its annual convenceo oo Saturday.

party, told the convention that the police had conclusive proof that the Front was responsible for an assassination attempt on him and other government members in Parliament in August.

A deputy minister and a Parlia-ment official were killed and six

#### Mitterrand Assails **Jailing of Kanak**

PARIS - President François Mitterrand said Wednesday that the arrest of a New Caledonian Kanak separatist leader aggravated problems in the Pacific territory. In a television interview from a

French aircraft carrier off the coast of Diibouti, Mr. Mitterrand criticized the arrest, saying it was France's duty to encourage dialogue in New Caledonia between indigenous dissidents and pro-French white settlers.

Yeiwene Yeiwene, deputy leader of the Kanak Socialist National Liberation Front, was taken to jail on Tuesday pending trial for calling on Kanaks to arm and defend themselves against violence.



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PACIFIC WESTERN UNIVERSITY

cahinet ministers wounded in that attack.

The Front has also been held responsible for the killing of Police Superintendent Terence Perera, who was in charge of investigations Mr. Jayewardene, in a two-day

stronghold in the southern cities of Hambaniota, Matara and Galle, described the killers as brutes and The killer and an accomplice promised to wipe oot the "southern terrorist movement" within two

Mr. Abeywardene, who was the The victims, who included Mr. party's general secretary for several years, was first elected chairman in (Reuters, UPI)

# Iran Facility Pumping Oil After Attack

DUBAL United Arab Emirates - A giant storage tanker at Iran's ating normally on Wednesday de-The Froot is composed largely of spite fire that engulfed its crew

> They said pumps aboard the 411,588-ton World Petrohras had foreign tanker at the terminal at the mouth of the Gulf.

Meanwhile, Iran attacked a Nor- Correction wegian oil tanker with rockets and set it ahlaze in the southern Gulf President Junius R. Jayewar off Dubai on Wednesday, shipping dene, the designated leader of the sources said. They said the 285,400ton Berge Big was hit by seven rockets.

> retaliation for the Iraqi air strike Tuesday oo Larak Island.

the world's higgest ship, the 564,739-ton Liberian-flag Seawise Giant, and the 457,927-too British vessel Burmah Enterprise, were only slightly damaged. Shipping sources had earlier named the tankers attacked as the

World Petrobras, the Seawise Gi-ant, the Burmah Endeavour and the Maltese-flag Free Enterprise.
The sources said the confusion occurred because two of the ships were moored alongside the World Petrohras, which burned for nine

hours before tugs extinguished the The Iraqi Mirage jets flew the 550-mile (890-kilometer) length of the Gulf to attack on Tuesday. Meanwhile, President François Mitterrand of France, interviewed Wednesday oo the bridge of the

aircraft carrier Clemenceau in the Red Sea, ruled out any quick withdrawal of a French naval task force from the Gulf region. He was responding to suggestions that France would reduce its lease, and he declared that France naval presence due to a warming of

ties with Iran that led to the release of two French hostages in Beirut. "The task force's missioo is not over," Mr. Mitterrand said.

**CHURCH SERVICES** 

PARIS AND SUBURBS
THE AMERICAN CATHEDRAL (EpiscopalAnglicon). Christmas Eve Holy Sucharist
10-30 p.m. Christmas Day Holy Sucharist
11 a.m. 23 avenus George V, Paris 8.
Tel., 47 20 17 92.

# WORLD BRIEFS

# Panama Sentences Critic of Noriega

PANAMA CITY (AP) — A former army chief of staff, whose acc tions against General Manuel Antonio Noriega, Panama's military for, set off weeks of protests, was sentenced to live years imprisonment. crimes against state security, a court official said Wednesday.

Colonel Roberto Diaz Herrera has been in custody since July 27. Abelardo Castillo, a court secretary, said the colonel was convicted attempts against the internal security of the state.

lo June, Colonel Diaz Herrera charged publicly that General Notice had been involved in illicit activities ranging from drug trafficting and money laundering to election fraud and the assassination of political

# 2 Syrian Soldiers Are Killed in Beirm

BEIRUT (UPI) -- Two Syrian soldiers, part of a 7,000-man for deployed in West Beirut, were found shot and killed Wednesday in residential area in the city's predominantly Moslem sector, sector sources said. Syrian troops surrounded the area and questioned residents. The

sources said. At least four other members of the Syrian force have been killed. The troops were deployed in February to end street battles.

A group calling itself the Liberation Battalion has claimed responsibility for a series of hit-and-run attacks on the Syrians.

### China Jails 26 for Selling Panda Fur

BELIING (AP) - A court sentenced 26 men to prisoo sentences ranging from two years to life for hunting rare giant pandas and trafficking in their skins, the official Xinhna press agency reported Wednesday.

The defendants killed six pandas and tried to sell 20 panda skins over several years, the report said. One was caught trying to sell the fur of a baby panda he killed in December 1985 and received a life sentence, it added. Another sold several furs, including one for 12,000 yuan (\$3,200) and was given a 15-year term.

Xinhua said the sentences were handed down Sunday in Chengdu, capital of Sichuan Province, which is the home of most giant paneas still living in the wild. They have become an endangered species because of their low fertility rate, a shortage of the wild bamboo that they feed on, and human predators.

#### Ulster Moderates Decry IRA Killing

BELFAST (AP) — Catholic moderates Wednesday decried the bombing murder of a leading Protestant activist, John McMichael, saying be could have played a role in bringing peace to the province.

Mr. McMichael, 39, was fatally wounded Tuesday night when he

turned on the ignition of his car and detonated a bomb, the police said. The IRA claimed responsibility. It said Mr. McMichael was plotting a Christmas bombing campaign in the Irish Republic.

The moderate Social Democratic and Labor Party, which is mostly. Catholic and opposes the IRA, denounced the killing

#### Black Mob Kills 4 in Natal Township

JOHANNESBURG (Reuters) - A mob burned and stabbed four persons to death in a Natal township amid signs that feuding between rival black political groups in South Africa was intensifying. A police spokesman in Pietermaritzburg, Natal Province's capital, said

a crowd of about 50 people killed two women and two teen-age boyson Tuesday after raiding a house in Henley Dam township. He said the group poured gasoline over the victims and set them alight. When two tried to flee, they were stabbed to death. Another woman was in serious

The victims apparently were allied to the conservative Inkatha movement of Zulus, which is in conflict with the leftist United Democratic Froot, The two groups disagree over anti-apartheid strategies.

#### TRAVEL UPDATE

#### Engine Mounts on 737s to Be Checked-

WASHINGTON (AP) - Federal aviation investigators have urged closer inspection of engine mounts on hundreds of Boeing 737 aircraft to detect possible cracking after an engine fell off a USAir jet during flight

The National Transportation Safety Board said Tuesday that the engine separated from the plane shortly after it left the Philadelphia airport because of cracking caused by metal fatigue in one of the three boits bolding the engine in place. The plane returned to Philadelphia and made a safe landing. The board expressed concern, bowever, that the cracking, which investigators said existed before the incident, had not

Air travelers can find out how liights compare in on-time performance, if they ask their reservationist, under a U.S. program that took effect Tuesday. Travel agents and reservation clerks have performance data about flights in their computerized reservation systems.

Athens Christmas shoppers faced problems Wednesday as more than 17,000 taxi drivers started a 48-hour strike and streetcar operators staged a five-hour stoppage. The cah drivers are protesting pollution control measures that will curtail taxi traffic in heart of the city.

The Italian airline Alitalia and its subsidiary ATI said Wednesday they would cancel about 50 flights a day for the oext two weeks became lengthy strike action had delayed essential maintenance work on their

Spanish rail workers staged a series of stoppages Wednesday to protest joh cuts. A spokesman for the railroad said only about 20 percent of workers heeded the call to strike for three hours in each shift. But a spokesman for the union said about 75 percent stopped work. A similar strike was held Friday and another is planned for Jan. 8. Lack of snow in Swiss alpine resorts has forced many ski lifts to close, and only slopes above the tree line are fit to ski on, the Swiss national

The dollar's close against the Deutsche mark in New York was misstated in the currency markets story in Wednesday's late edition. The correct rate was 1.6280 DM.

# The attack appeared to be in Chirac Made Arms Sales The sources said two other supertankers hit to the Iraqi attack. To Iran, Paper Asserts

By Youssef M. Ibrahim New York Times Service

PARIS - France's arms dealiogs with Iran, which began in 1983 under President François Mitterrand, cootinued as late as this summer under his political rival, Prime Minister Jacques Chirac, French newspapers have reported.

Several weeks ago, conservative parties accused Mr. Mitterrand's Socialists, who controlled the cabinet until 1986, of selling arms to

The Socialists answered by suggesting that Mr. Chirac had compromised French foreign policy to obtain the release last month of two Montand Got Fee French hostages — by paying a ransom to pro-Iranian terrorists and hy agreeiog to withdraw French naval units from the Gulf.

Mr. Chirac denied last week that any ransom had been paid or arms delivered to win the hostages' rewould not withdraw its fleet from the Gulf.

But Le Monde said Tuesday that Mr. Chirae's conservative governweapons to Iran from 1983 to 1986, had continued the sale of muni-

tions and explosives to Iran.

that any arms exports to Iran were authorized by the government of Mr. Chirac after his election in March 1986. Oil industry officials and news

reports suggested over the weckend that France might reward Algeria for having helped gain the release of the hostages.
Le Monde asserted that Mr.

Chirac was willing to pay a higher price for Algerian gas to settle the debt to the Algerian authorities." Le Monde contended that the

additional payments would cost France an extra \$113 million.

# Yves Montand, the French actor

and singer, said Wednesday that he received a 800,000 franc (\$145,500) fee for a television appearance, during which he ended months of speculation by denying that he in-tended to run in April's presidential elections, Agence France-Presse reported from Paris.

Mr. Montand, 66, who has campaigned for leftist causes for years, said he had "no reason to be ment, which just indicted three ashamed over the contract negotimen for conspiring to break ated by his agent for his appear-France's embargo and export ance Saturday night on a prime

time political program.

The size of the fee and tussies The report that the arms sales published Wednesday in the satiriover the terms of the contract were contioued under Mr. Chirac was cal weekly Le Canard Enchance portrayed hy his administration as which quoted a recent remark by a politically inspired attack. The Defense Ministry denied Tucsday don't do it for money or glory.

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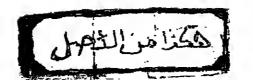
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المجالي المتعادة المتعادية





# Raton, Florida, killing a man lounging at poolside. Mr. Feinerman was charged by police with reckless driving. contemplates his car. He lost control of the vehicle and Effects of Budget Cuts Appear Minimal

By Paul Blustein

right with his wife Judy, being comforted by friends as he

Washington Post Service
WASHINGTON — The spending and tax bills signed by President Ronald Reagan will not actually shrink the U.S. budget deficit from this year's level, budget experts said, but rather will only keep the deficit from significantly

Moreover, some of the savings said to be part of the legislation that was signed on Tuesday—such as provisions that simply shift spending into the future—have minimal effects on the nation's long-run fiscal woes.

Genuine savings were enacted, however, and the fact that the White House and Congress finally moved forward with their budget agreement will reduce the risk of disaster in financial markets, economists said. In addition, the outcome pleases America's trading partners, making them more likely to cooperate with the United States in keeping the world economy growing, according to administration officials.

That, in short, is the economic impact of the two pieces of hudget and tax legislation that lawmakers spent the past eight days drafting and oearly all night Monday approving. The first thing to understand about the mea-

sures, budget experts said, is that they do not cut the deficit, at least not in the way that most people think. The federal deficit was \$148 billion in the 1987 fiscal year, which ended Sept.

If the economy grows singeishly next year, as many economists expect, the deficit will proba-bly widen to between \$160 billion and \$170 billion in the oext fiscal year, and further the year after, according to budget analysts in the administration, Congress and outside govern-

"Without this, we're looking at deficits jumping back to \$200 billion a year," said Carol Cox, president of the Committee for a Responsible Federal Budget, a group of prominent citizens and former government officials.

Mrs. Cox and others agreed that most of the tax increases contained in the package will raise revenue close to the amounts claimed - about \$9 billion in fiscal 1988 and \$14 billion in fiscal

Moreover, Congress achieved some restraint in two last-growing areas of the budget - farm subsidies and Medicare, the health program for

#### **NEWS ANALYSIS**

the elderly. A Senate Republican staffer, noting that actual cuts were made in the target prices for commodities used to determine subsidy payments, said, "I'm amazed we polled that one

But there are several questionable savings, especially in domestic spending accounts, sprinkled throughout the package. The legislation purports to shrink the projected deficit by \$33.2 billion in fiscal 1988 and \$45.8 billion in fiscal 1989. Of that two-year, \$79 billion total in promised savings, about \$1.1 billion is achieved by delaying Medicare payments to doctors and hospitals, so that some of the cost is simply deferred.

Another \$500 million comes from allowing federal retirees to spread benefits over two years — again, deferring expenses. Another 5500 million comes from a tenuous promise by the Postal Service to improve productivity.

Of all the questionable savings, the biggest is

modest comfort

"If they hadn't done it, there would have been a severe reaction," said Stephen Axilrod, vice chairman of Nikko Securities Co. Interna-

David Resler, chief economist at Nomura Securities International Inc., said: "The broad outlines of the package are pretty much as advertised.

An administration official said that the value to the markets and the natioo is primarily symbolic, because "it's important to indicate that the executive braneb and Congress can work together."

Perhaps even more significant, this official said, is the potential impact on U.S. trading partners, especially Japan and West Germany. Allied governments have cited the U.S. budget deficit as a major cause of world trading imbal-The United States, in turn, wants Bonn and

Tokyo to adopt measures to absorb more imports. One administration official asked where's our oegotiating stance? without this implementation of the budget agreement. What do we say to our trading partners?" Some analysis said Mr. Reagan's signature

on a tax increase could have another sort of symbolic impact — improving the political climate for a major tax increase when his successor takes office. But others contended that the tax increase is Brower, and an assistant to Mr.

a provision promising to cut more than \$7 so modest that the politics of the issue have not billion in fiscal 1988 spending by allowing cerchanged. William Schneider, political analyst at But such an outcome represents a meaningful tain entities that have borrowed from the govaccomplishment in that the deficit has been cut ernment, including the state of Israel and rural out deficit reduction has been put off until the from the levels that it would otherwise reach.

# North's Lawyer Sought Reagan Pardon

By Walter Pincus Washington Post Service

WASHINGTON - Last Janu-North, the former White House

Colonel North's lawyer, Brendan V. Sullivan Jr., was granted the meeting after a Jan. 16, 1987, telephone call from Mr. Sullivan to Attorney General Edwin Meese 3d. The call was taken by Associate Attorney General Stephen S. Trott, and Mr. Sullivan told Mr. Trott be wanted to meet privately with President Ronald Reagan.

Mr. Sullivan refused to specify what be wanted to discuss with Mr.

Mr. Sullivan was that Colonel North deserved a pardoo because he was "a man trying to do his duty, serving the president."

Mr. Sullivan, according to Mr. Abshire also said during the meeting that "this thing could drag on" and he "may have also mentioned" oel North to testify freely before Congress.

At that time, the independent counsel, Lawrence E. Walsh, was just beginning his criminal investigation, the congressional Iran-cootra committees were organizing and preparing for public hearings, and Colonel North had already invoked his Fifth Amendment right not to testify before three congressional committees oo the ground that he might incriminate himself.

Mr. Reagan's strategy at that time was to get Colonel North and his former superior at the National Security Council, Rear Admiral John M. Poindexter, to tell their stories before Congress under grants of limited immunity, Peter Wallison, then the White House counsel, said Tuesday. However, Mr. Walsh had formally requested the Iran-contra committees to delay granting immunity to any wit-

Mr. Abshire said Mr. Sullivan was told that "no consideration was being given" to pardons, but that "what he said would be passed on." Also attending the meeting were Mr. Abshire's deputy, Charles

Mr. Wallison said Tuesday that oo acoon was taken on Mr. Sullivan's request. Administration officials ac-

knowledged that the handling of Mr. Sullivan's request for a meeting told Mr. Sullivan that he should get and Poindexter." If such a request for nervousness about in touch with Mr. Abshire, who had were made, Mr. Wallison said, I ary, in the early stages of the Irancontra investigations, the attorney for Lieutenant Colonel Oliver L.

Colonel North's lawyer and the difficulties he and his client might Reagan on Dec. 27, specifically to handle the Iran-contra affair.

Were made, with waiting and were made, with waiting and said, recontra investigations, the attorney ficulties he and his client might Reagan on Dec. 27, specifically to handle the Iran-contra affair.

In a deposition given the Iran-North, the former White House aide, sought a presidential pardon for his client during a previously undisclosed White House meeting.

The meeting was with David M. Abshire, who was then special counselor to the president coordinate of the president coordinate of the White House.

In a deposition given the Iran-contra committees on July 2, 1987, there was "nothing inappropriate" about Mr. Sullivan's request, but that he did not want to "be a chancel for lawyers."

Mr. Abshire said Tuesday that considered."

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Mr. Abshire said that Mr. Sullivan or simply wan making his to wan "simply was making his to wan "simply wa 1987, call that Mr. Sullivan origithat he did not want to "be a chanolly had made to Mr. Meese, Mr. oel for lawyers."

Sullivan "wanted to get through the g

handle the Iran-contra affair. ment about whether it would Mr. Abshire said Tuesday that considered."

Mr. Abshire said that Mr. Su

# FBI Memo Says Nixon Aide Requested Information on Homosexuals in Press

By Eleanor Randolph

Washington Past Service
WASHINGTON — In November 1970, President Richard Nix-Reagan. Several days later the law-ber 1970. President Richard Nix-yer was received by Mr. Abshire, on's chief of staff, H.R. Haldeman, according to former White House asked the FBI director. J. Edgar aides and to still secret testimony Hoover, to pass on any information before the congressional Iran-conthe agency had collected about hotra committees. "known and suspected Mr. Abshite said Tuesday that in the Washington press corps," the thrust of the presentation by according to a oewly discovered memo of the conversation that Mr. Hoover made at the time.

Mr. Hoover addressed the memo

to his five assistants. lo it, he said that Mr. Haldeman had called and "stated the presi-dent wanted him in ask, and he would imagine I would have it pretthat a pardon would permit Colo- ty much at hand so there would be no specific investigation, for a rundown on the homosexuals known and suspected in the Washington press corps."

The memo went on to say, "I thought we have some of that material. Mr. Haldeman mentiooed [name or names deleted] and some of the others rumored generally to be and also whether we had any other stuff: that he, the president, has an interest in what, if anything else, we know,
"I told Mr. Haldeman I would

ought to be able to send it over memo was addressed, said he he certainly not later than Friday," no recollection of the memo. "The certainly not later than Friday," the memo said.

The document was found by a California researcher, Robert Ranftel, among the files now available to the public in the FBI's Freedom of Information and Privacy Act reading room in Washington. It is dated Nov. 25, 1970.

Mr. Ranftel said that he and another researcher in New York, Penonfiction book on the Reveren ter Krass, had requested informa-tion that might have been passed along by the FBI to the White

House on Friday, Nov. 27, 1970.
The FBI told them that Mr.
Hoover's copy of whatever material went to the White House had been destroyed, Mr. Ranfiel said. They are now asking for the description of the documents that were destroyed and for documents from the files of other FBI officials

that could be related to the memo. Mr. Haldeman, contacted in California where be is now running several small businesses, said he on a ship that sailed from an Iran does oot remember making the an port last mooth, a Home Offi telephone call to Mr. Hoover or any response.

"it rings oo bells at all," Mr. Haldeman said.

was 17 years ago," he said. Others familiar with Mr. He

ver's procedures said it was practice to make a record of eve contact with the White House. "I have oo doubt that it's a c pendable rendition of what he pened," said David J. Garrow, w

Martin Luther King Jr. "As a regular matter, whenever he would have a phone reque from the White House, he dictate one of these memos," Mr. Garro

#### 6 Iranians and an Iraq Seek Asylum in Britain

Reuters LONDON — Six Iranians ar an Iraqi are seeking political as lum in Britain after stowing aw spokesman said.

He said the group arrived in Li erpool on Monday on the Gre bulk carrier, Nea Elpis, and wa "I told Mr. Haldeman I would Charles D. Brennan, one of the being questioned by immigration get after that right away, and we assistant FBI directors to whom the



### Why a Top-Level U.S. Government Job Is Great — Even at One-Fifth the Pay was back among the select group of man for the State Department in

By Gerald M. Boyd

New York Times Service
WASHINGTON - A recent financial disclosure form submitted by Frank C. Carlucci, President Ronald Reagan's new secretary of defense, raises a question about some of Washington's top bureau-crats that, on the surface, seems

Why would a business executive drawing a salary of almost \$400,000 a year, as Mr. Carlucci was, go to work for the government at about one-fifth that amount?

swered in many ways, current and lormer government officials say the essential explanation is the same. "The big difference is that you

have an opportunity to bring your personal views to bear on the governmental process," said Frank J. Donatelli, Mr. Reagan's top assistant for political and intergovern-mental affairs. That's an attraction. That's a big attraction."
Mr. Donatelli worked in the White House for about a year as a

The Associated Press

62 president of the Japanese daily newspaper Mainichi Shimbun,

died of liver failure on Tuesday.

TOKYO - Daisuke Yamauchi,

Mr. Yamauchi, a native of Fuku-

oka Prefecture in western Japan, joined the Mainichi in 1949 follow-

ing his graduation from the Univer-

He worked as chief of the news-

paper's New York bureau for two

years from 1962 and later as man-

aging director both in the Tokyo

head office and in the paper's Osa-

ka office. He became company

largest newspaper, has a daily cir-

The Mainichi, Japan's third- cancer.

sity of Tokyo.

president in 1980.

culation of 6.3 million.

Henry H. Strater, 91, American Portrait Painter PALM BEACH, Florida (AP) --

Headed Japanese Daily

ing a new task for the president.

Patrick I. Buchanan gave up a ability to influence public policy high-profile job as a newspaper col-umnist and televisioo commentator "It is difficult because many of to become White House communications director at the beginning of Mr. Reagan's second term, White House insiders wondered what had

Mr. Buchanan had been out of speech writer in the Nixon and Ford administrations. He has now returned again to private life, work-ing as a columnist and television commentator and writing a book.

"The White House is the greatest place in the world to work, if you have spent your life writing about issues, politics and policies," Mr. Buchanan said. "It has a special intoxication of its own. .

"You read that people go there for the power, but they don't. It's being on the inside when the decideputy assistant for public liaison, then left in 1985 to join a Washing-too law firm. Two years later he sions are made."

John H. Tranner, a press spokes-

gerald's novel "This Side of Para-

dise." He became a friend of Hemingway's after the two fought on a

Paris street.

could impress him."

Ralph Nelson, 71,

performances were live.

Movie and TV Director

SANTA MONICA (AP) -

television director, died Monday of

BUCHWALD

senior White House aides perform- the Carter administration, says senior appointed officials frequently Such a partern is typical. When complain of the sudden end to their

them felt they were contributing something more than in the private sector," Mr. Trattner said. In addition to all the lofty rea-

induced him to give up an annual sons for serving in a high-level gov-salary of \$400,000 to return to pubmundane reasons, said Peter J Wallison, the Treasury Depart-Although the question can be an- government since working as a ment's general counsel in Mr. Reagan's first term and later counsel to the president. He oow is a member of a Washington law firm.

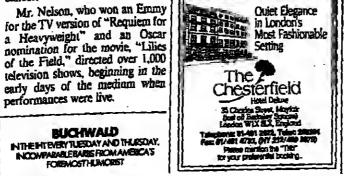
"You are on the outside reading the newspaper and you say to your-self, if you would have been there and knew the facts, the decision you would have made would have been far better," Mr. Wallison said "That is appealing to a large number of people," he said.

Another generally accepted ex-planation is the ability to use highlevel government positions as springboards to top salaries in pri-vate industry. Mr. Carlucci, for example, held several top government jobs before becoming the chairman of Sears World Trade Inc. Daisuke Yamauchi Dies;

According to his financial disclo-sure statement, he received a salary of \$385,794 in that capacity in 1986, plus \$63,000 in directors' fees from other corporations and a termination settlement of \$735,722 from Sears. His annual salary as character Burne Halliday in Fitzdefense secretary is \$80,100.

However, some former officials, like Michael J. Horowitz, a counsel for the Office of Management and Budget earlier in the Reagan ad-"I had boxed in school, and I ministration, draw a distinction bethink I impressed Hemingway with tween short- and long-term finan-my punch." Mr. Strater once re-called. "That's the only way you "In terms of long-term job of-

"In terms of long-term job offers, it's a sophisticated market." he said. "Anybody who goes into government with an eye toward collecting a lot of money afterward usually has those ambitions thwart-Ralph Nelson, 71, the movie and ed."





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#### Henry H. Strater, 91, a portrait painter who befriended Ernest Hemingway after they fought an impromptu boxing match on a Paris street corner in the 1920s, died here Taesday. Mr. Strater illustrated Ezra

Pound's book of poems, "Cantos,"

# Herald Eribune.

# The Troubling Dollar

Seven countries say they want to stop it from declining further; some say they believe it already is too cheap. But there are outside judges, including Robert Solow, the latest winner of the Nobel Memorial Prize in Economic Science, who think it needs to go lower.

People with dollars in their pocket may find it better to spend them in the United States, if they can, than abroad. The Organization for Economic Cooper- one, like the last, will only achieve tempoation and Development reports that, at rary success, based on massive purchases present rates, the general level of prices is much lower in America than elsewhere. But this won't necessarily reduce the private market must begin to believe the U.S. trade deficit, because the the signals governments are sending. OECD is measuring all prices, including Japan's sky-high rents, instead of the sinks further or revives depends on goods normally entering world trade. America can't offer cheap rents to people living in Tokyo, and, to date, the competitive position of U.S. manufacturers has improved only slightly - which is why the OECD, in its latest forecasts, sees the U.S. trade deficit, now at \$150 billion, still topping \$100 billion in 1989.

This is frightening for those who want to see exchange rates stabilize after the gyrations of the past decade. Can the run on the dollar be arrested if markets see a further string of big trade imbalances? The world has grown cynical of "Plaza"and "Louvre"-type accords, in which governments vow to quiet exchange markets by fundamental economic policy

changes, then fail to deliver on the deal. More stable exchange rates may not be achieved until, clearly, domestic demand is rising substantially faster outside the United States than within it. The OECD

Has the dollar fallen too far, or not far forecasts suggest a slowdown in the Unitenough? Governments of the Group of ed States, but at the same time foresees a simultaneous deceleration in Europe, with only Japan remaining in any way buoyant. The anemia is marked in Western Germany: Unless this changes, other European countries can hardly set a good example because they will run up debts to West Germany beyond their ability to pay.

The atonality, particularly in Europe, puts accords to stabilize exchange rates at risk. There is some danger that the new of dollars by central banks, which cannot continue indefinitely. For lasting success, More narrowly, whether the dollar now whether the market has already discounted the fact that the U.S. trade gap is likely to shrink only slowly. The situation could be turned around if the United States started financing its deficit by selling bonds denominated in foreign currencies, not the dollar, because the present unwilling bolders of dollars might then become willing, But, for symbolic reasons, Wasb-

ington may frown on this. A shrinking dollar now involves a depressing effect on the main countries whose currencies float upward. It raises inflation inside the United States, thereby endangering a credit squeeze. Above all, it emaciates U.S. leadership in the free world: Britain lost its role because of its weakening currency, not because its colonies vanished. What will happen to U.S. defense spending abroad if, with a sinking dollar, it becomes ever more costly? INTERNATIONAL HERALD TRIBUNE.

# A Mirror-Image in Brazil

Both of the world's biggest debtors know that they have to reduce their national budget deficits. But, for very similar reasons of domestic politics, neither is making much progress. You have seen the great show of weight lifting by the White House and Congress in the United States, and the minimal results. Things are going even less well in Brazil.

Both Brazil and the United States are going to have to swing more resources into their export industries to carry their foreign debis. But the presidents of both countries resist higher taxes, and in both the people benefiting from government largess have fought spending cuts with great success.

Brazil's finance minister, Luiz Carlos Bresser Pereira, has just resigned in a dispute with President José Sarney, Mr. Bresser Pereira wanted to increase taxation, especially on the wealthy, and to close down a number of money-losing state enterprises. But the Brazilian congress is rewriting the constitu-tion, and President Sarney's critics, who are increasingly numerous, want to hold his term to four years with elections next fall. Mr. Samey is struggling to lengthen it to five years. There doesn't seem to be much more to trust to luck to rescue the country, in nt stake than a point of personal pride, but he which the American and Brazilian perforis pursuing it with single-minded passion and

either the right or the left, Brazil's inflation rate is now approaching 400 percent, and it looks as though a long attack of stagilation is ahead. When Mr. Bresser Pereira took over the finance ministry last spring, the country's budget deficit was running about 6.5 percent of the gross national product. He drew up a forceful plan to get it down to 3.5 percent — which, by coincidence, is just about the current size of the deficit in the United States, But because of Mr. Sarney's adamant refusal either to tax more or to spend less, the deficit is still where it was when Mr. Bresser Pereira arrived. The United States is obviously in a more

fortunate position. There is no constitutional convention to chill political initiative, but only a presidential election. The inflation rate is very low by Latin American standards, although a good deal higher than last year. The foreign debts are enormous, and unlike Brazil's, are still growing rapidly. But they are easier to carry, in proportion to the size of the national economy. It's the refusal to come to grips with an acknowledged danger, and the general inclination mances most closely resemble each other.

# The Weinberger Legacy

reaping the fruit of this indiscipline. He asked the armed services to cooperate

in cutting their budgets, and the results are close to insubordinate. The navy's cuts at first amounted to \$1 billion less than Mr. Carlucci requested. The air force suggests canceling the Midgetman missile, an action it proposes knowing full well Congress will not go along. The army proposes to stretch out weapons purchases, a measure it was inld specifically to avoid. All this is just a foretaste of the mess Mr. Weinberger left behind.

The navy has been allowed in order two new aircraft carriers, achieving its longsought goal of 15. Yet it probably cannot afford to buy enough aircraft to fill them. In striving to build a fleet of 600 ships, by 1994 the navy could end up with a shortage of 600 planes, according to the Congressional Budget Office. One reason is that the navy orders planes in uneconomic numbers. fn the last five years, average procurement rates for naval combat aircraft amounted to one-third of the production plants' full capacity. That is a sure-fire recipe for

squandering the taxpayer's money. The navy does not deserve special blame. Whenever military budgets start to rise, each of the armed services orders as many different kinds of new weapons as it can, the

#### An Explanation Is Owed

The navy brass owe an explanation. After almost three months of grilling and polygraphing the one suspect it knew to be guilty, the Naval Investigative Service appears satisfied that marine security guards at the U.S. Embassy in Moscow didn't give away the store to Soviet spies. But it leaves a glaring question: Why did nay investigainrs work so hard to suggest they had, even coerce a young marine into saying so?

- THE NEW YORK TIMES.

Caspar Weinberger spent more and street pervised less than any other U.S. secretary of defense. His successor, Frank Carlucci, is tive constituency in Congress, thus moderating the appetite for cuts. The stratagem works, but at appalling cost. Weapons pro-grams are rarely canceled, merely stretched out. That leads to higher unit costs, so that fewer weapons can be bought overall. Worse, by the time the last weapons in a stretchedout production run reach the field, they may be approaching obsolescence.

The impending turn of the spending cycle may burt even worse than usual. Weapons now in production are fancier and more expensive than ever. Yet even with record procurement budgets, the services still failed to order them in sufficient quantities. Of 40 weapons programs reviewed by the Congressional Budget Office, half were bought at less than what the Department of Defense defines as the lowest rate of production effi-ciency. The minimum rate of production for the F-15 fighter is 120 per year; the air force has bought only 41 a year over the last five years. The army has bought 99 cruise missiles a year; the lowest economic rate is 120.

As the Pentagon budgets head down, Mr. Carlucci will face pressures to stretch out these already uneconomic production runs. The only way that he can preserve funds to buy needed weapons in efficient numbers is in drop marginal weapons entirely, an action always fiercely resisted by the service and the contractor's supporters in Congress. This time, in this fiscal crisis, members of Congress need to place national defense above the usual routine of defending all the margin-

al weapons produced in their own state. President Reagan could, from the very beginning, have sought a steady, sustainable increase in defense spending. Instead he launched the Pentagon onto a boom-andbust cycle that threatens to produce another hollow army, a navy with empty carriers and an air force again pricing itself out of the sky

-THE NEW YORK TIMES.

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# **OPINION**

the prime arena of U.S.-Soviet con-

flict. In the main, the Reagan admin-

istration has failed to assess regional

issues that impinge upon, rather than derive from, East-West relations.

of the U.S. political image in Latin

America. True, the Sandinists are

Marxists; but they do not owe their

existence in the Soviet Union or Cuba.

manifestation of decades of poverty.

corruption and exploitation. The Soviet foreign minister, Eduard She-

In Nicaragua, the administration

# Reagan's Leaving the World to Gorbachev

By Hugh De Santis

WASHINGTON - President Ronald Reagan was justified in declaring the recent superpower summit meeting a success: Three days of talks with Mikhail Gorbachev resulted in the signing of the first nuclear arms reduction agreement. The same Mr. Reagan who had earlier excoriated the "evil empire" suddenly has been trans-

formed into a proponent of detente. The summit meeting also was sig-nificant for what it failed to accomplish: Virtually no progress was made on regional issues. Although Afghanistan, Nicaragua and, to a much lesser extent, Cambodia came up for discussion, they were a sideshow to the arms-control debate. To ensure

Philippines:

**Democracy** 

**Threatened** 

By Diane Orentlicher

N EW YORK — The Aug. 28 coup attempt against the government of Corazon Aquino — its

leader, Colonel Gregorio Honasan,

was captured only last week - shat-

tered the U.S. government's compla-cency toward the Philippines. But Washington has yet to come to terms with the threat to democracy there

Following the attempted pursch, the question, "Can she make it?" domi-

nated the policy debate in America. Yet to many Filipinos, the United

States' preoccupation with the pros-pect of more such attempts seems somewhat beside the point. The real question is how President Aquino can

regain the authority that she has lost.

the military has largely redefined the terms of the nation's human rights

debate; the commitment to protect-

ing citizens from military abuses -

once the hallmark of the Aquino ad-

ministration — bas all but vanished

from its public agenda. When the

military invokes "human rights," it refers almost invariably to violence of the Communist New People's Army, and the government's Human Rights

Commission has shifted its focus to

the New People's Army's actions.

Meanwhile, the military has sought

to persuade the public that its own

human rights violations are only an

unfortunate but inevitable byproduct

politicians, has also sought to neu-tralize independent burnan rights

monitors by labeling as Communists

those who report on military abuses

and defend human rights. Attorneys

affiliated with the Free Legal Assis-

tance Group, a national organization

of lawyers who defend human rights, have lately fallen victim to this cam-

paign. One lawyer, Bernadette Encin-

areal, has received numerous death threats from paramilitary groups in

the province of Misamis Occidental

Mrs. Encinareal now lives under vir-

tual siege, unable to leave her home.

By Jonathan Power

The military, like some right-wing

of counterinsurgency operations.

Though riven by internal divisions,

sues did not impede progress toward renewed détente. Mr. Reagan, in an even more striking departure, delinked them from the arms talks. The Soviet relationship is, and long has been, the key item on the U.S. foreign policy agenda. But it should not obscure the importance of re-gional ties that can also have major consequences for U.S. interests.

that regional and human rights is-

Yet, U.S. policies in regions outside Europe have either been relegated to the sidelines or filtered through the prism of East-West relations, deneighboring governments in Panama, spite the fact that the Third World is

# Honduras and Guatemala now sit on A Call for a New Marshall Plan

The United States has a major interest in assisting the Philippine government meet the serious challenges now confronting it. There is far more at stake than just continued access to military bases at Subic Bay and Clark Air Field, as important as those bases may be.

At stake in the Philippines is a far more important principle: that peaceful democratic change can succeed in the Third World. The People Power revolution of February 1986 was an inspiration to others yearning for democracy across the world. The failure of the revolution would be a crushing blow to untild millions who seek democracy in their own countries. The problems in the Philippines are well known. The economy, ravaged by the crony capitalism of the Marcos years, is staggering under a \$29 billion foreign debt. In 1986, the Philippines paid over \$1 billion more in debt service to foreign creditors than it received in new assistance. In a country where almost 70 percent of the people live below the poverty line and per capita income is tess than \$2 a day, this net transfer of capital out of the country is a significant impediment to a sustained economic recovery. Unless the promise of democracy can be translated into tangible improvement in the lives of Filipino people, the future of democracy will be in jeopardy.

We believe, therefore, that the time has come for the United States and the rest of the international donor community to act. We true you to take the lead in putting together a multinational, multiyear "Marshall Plan" for the Philippines.

- From a letter to President Reagan from Senator Alan Cranston of California, Representative Stephen Solarz of New York, both Democrats, Senator Richard Lugar of Indiana and Representative Jack Kemp of New York, both Republicans.

military's activities is the recruitment and arming of civilians who are deployed to play a key role in counterinsurgency operations. Known com-monly as "vigilantes," many of these groups recruit members from criminal elements and fanatical religious cults. In the past year, vigilantes have tortured, maimed, mutilated, decapitated and hacked to death people who they say support or sympathize with the New People's Army. Their victims have included young children, infants and the elderly.

Though the extent of such abuses is unknown - most survivors and witnesses are too afraid of reprisals to file complaints - it is clear that vigilance executions are proliferating at an alarming rate and are vasily under-reported. Shielded from the government's law-enforcement arm by their military patrons, the vigilantes operate with impunity. When a vigilance group in Negros presented the severed head of a New People's Army suspect to local military au-thorities, they were not arrested but instead given a sack of rice.

that are armed and supported by the military. Despite her position as acting mayor of the town of Tudela, abuses. Mrs. Aquino has endorsed

purged a former Communist strong-bold in southern Mindanao of rebels. She has failed, however, to acknowledge the problem posed by the thousands who are armed, perhaps because she does not believe she can alford to oppose a policy favored by

a military she does not control. The abuses inflicted by armed vigifantes require international concern, and should be forcefully condemned by the United States. Responsible criticism of a military that is out of control could only strengthen President Aquino's ability to insist that the military obey the rule of law.

Washington's extensive role in providing aid, equipment and training to the military makes it, in the view of many Filipinos, culpable for abusive military policies it does not condemn. (Indeed, many Filipinos accept as true the widely circulated reports that some vigilantes have received support from the Central Intelligence Agency.) The United States simply does not have the op-tion of remaining neutral on this issue, and the stakes are far too high for it to consider doing so.

Ars. Encinareal now lives under virusarined vigilantes, apparently beual siege, unable to leave her home. Perhaps the most dangerous of the lieving that one predominantly unarmed vigilante force. Alsa Masa, to The New York Times.

# Dominica: A Success Is Being Reaped

R OSEAU. Dominica — Once in a while the traveler sees a connection that makes his heart beat fast. What is declared impossible in one corner of the globe he finds is being done in another. Two countries, both tropical, both with a colonial heritage. both now with women in the ruling chair, are struggling with the political-ly unsettling question of land ownership. One, Corazon Aquino in the Philippines is clearly failing. The oth-er, Eugenia Charles in Dominica, ap-pears well on the way to success.

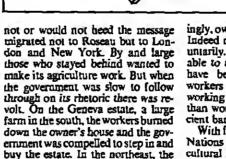
Up the emerald-bued mountain. among the humming birds, green berons, waterfalls and rainbows, giant ferns and orchids, small farmers have been scraping a living for 400 years in this Caribbean island. With its wild beauty — so wild that the tourists give the rocky black-beach island a miss - it hides its poverty in the prolific and ubiquitous foliage of its

dominant crop, bananas. When in 1978 it won its independence from Britain, it was an island with three societies: the estate owners, with three societies: the estate owners, wealthy, inbred and verging on the indolent: the inhabitants of the sleepy capital of Roseau, relatively prosperous; and the rest, mainly workers on the estates, poor, but not impoverished, thanks to a good basic system of health services and the pure water and the invisorating climate of the mounthe invigorating climate of the mountains. Nevertheless it was an untenable system. For the estate owners were mainly white or mulatto and the workers were black — and unhappy to continue working for a superior class, whom they could see made unproduc-

tive use of the vast acres they held.

Moreover, because the politicians of the new order were black, they felt obligated to resonate the feelings of their newly liberated electorate, not that of the privileged few. They were also astute and realized early on that Dominica did not have many alternatives. Other islands had the white beaches. Indeed in this mountainous country there was hardly room to build but the shortest airstrip, much less the standard runway suitable for tourist jets. And industrialization, al-though the academic and political folk wisdom for the 1950s and 1960s class of emerging new nations, was well out of favor by 1978, the year of Domini-

ca's relatively belated emancipation.
Agriculture it had to be. So Dominica's politicians talked agriculture and the need for people to take the land seriously and not emulate the typical Third World rush to find salvation in the town. Those who could



the government was slow to follow through on its rhetoric there was re-volt. On the Geneva estate, a large farm in the south, the workers burned down the owner's house and the goverriment was compelled to step in and buy the estate. In the northeast, the unrest on the Castle Bruce estate became increasingly volatile and again the government was forced to step in. Even then the government, beset by its own problems, failed to follow through. Prime Minister Patrick John, although democratically elect-

ed, had begun to show symptoms of crazed omnipotence in the mold of the Duvaliers on nearby Haiti and Eric Gairy in neighboring Grenada, giving himself the title of Doctor of Metaphysics and attempting to lease a quarter of the island to a sleazy Texas businessman for a rent of only \$100 a year. Three weeks of nonviolent strikes and protest, uniting all the political parties, finally forced his resignation. Out of office he set out to reclaim by force what he'd been unable to keep with votes. Fortunately, he could not gather much support and was quickly arrested. He is now serving a long prison sentence. Eugenia Charles has been contin-

ually in power since these troubled times. It was she who rallied her Caribbean neighbors and persuaded President Reagan to invade Grenada after the leftist coup. And she has gone about sorting out Grenada's economic problems with an equal singlemindedness. Not least she has implemented the agricultural rhetoric.

Now the government has acquired nearly all the large estates. Surpris-

ingly, owners offered little resistance. Indeed many wanted to sell out voluntarily. Increasingly they were unable to attract labor. Banana prices have been climbing steadily and workers have preferred to stay home working their own small fields rather than work for the low-paying inefficient baronical estates.

With financial aid from the United Nations International Fund for Agri-cultural Development and the Orga-nization of American States, Miss Charles divided up the estates, giving tenure to the workers. Now it is building farm to market roads, introducing up to date agricultural advice with new seeds, perticides, insecti-cides and fertilizer.

The first estate, Geneva, has recently ended its first full year under the new order. There are 370 farms on 730 acres (295 hectares) of agricultural land. It has transformed the lives of more than 1,500 people. With a quarter of an acre of ginger alone a farmer can make \$1,500 a year, compared with earning an estimated few hundred dollars before. Add to this bananas, passion fruit, grapefruit, guavas and food crops and one can see that a family's fortunes are transformed.

The age profile of the farmers tell it all. The average age of those participating in the project and taking out loans to pay for the new land is 34. This compares with the average age of Dominican farmers of 51.

Shortly, the other estates will get the same treatment. The juggernaut of land reform appears unstoppable. The agricultural department is effi-cient. Miss Charles deploys her remarkable energies with no regard for the indecision that marks her sister leader on the other side of the world.

Imernational Herald Tribune. All rights reserved.

# Spain Says No, and Has Beingen I their own political powder kegs, and while Mr. Reagan's policy is not likely to reduce Soviet influence in the re-To Say More gion, he could facilitate its spread. The real time bomb in Laun Amerdevelopments in their own contexts as ica is the massive indebtedness. Wit-

ness Mexico's recent devaluation of

the peso. The Bank of Boston's recent

decision to write off \$200 million of

reaction is myopic. What makes

American bankers believe that Third

vardnadze, has scored points in Mex-

ico. Argentina and Brazil by lending

a sympathetic ear, even though he

opening, for example, Soviet mar-

increasing its economic and military assistance to North Korea, it is offer-

consequences for NATO.

By Jim Hoagland

MADRID — The discussion that Spain and the Umted States has waged a covert war to remove the sandinists from power, at the expense cism from other U.S. banks, but their have conducted over the past 18 months on the future of the 401st Tactical Air Force Wing has routinely been described as a negotiation. But it World nations can continue to prois now clear that there has not been duce and export goods mainly to seroccounting at all in any classical sense as Mr. Reagan claims, but are the vice their debt without provoking so-They have been talking past each cial upheavals? Meanwhile, the

other, with Spain speaking of history the future, current politics and nationalism, while the United States has stressed its problems in managing a global alliance, coping with the Soviet menace and other geopolitical dramas.
Prime Minister Felipe González has

had nothing tangible to offer. The Soviet Union has little to offer the newly industrialized coun-tries of the Pacific Rim, either. But it put an end to this by unilaterally setting a three-year withdrawal period for has been quick to exploit opportunithe U.S. air wing based at Torrejon.
This leaves both sides facing hard ties created by U.S. protectionism. choices about the future of an imporkets to textiles and sugar from Thaitant relationship. Washington's choice land. Moreover the nations of Southeast Asia know that Moscow is now boils down to picking up its planes and going quietly elsewhere or to slamming the door on the way out. . .

Vietnam's paymaster and, along with China, the key to the peaceful resolution of the region's problems.

As part of Mr. Gorbachev's "new political thinking," the Soviets have resorted to the velvet glove in Asia, not the iron fist. While Moscow is increased in the geometric and military. Slamming-the-door advocates ar-que that the United States cannot afford in shrug off an ally's unilateral decision of this kind. They want some china broken as a warning to others, especially since the United States is opening a series of bases negotiations around the world. But the restraint ing to reduce superpower arsenals in the Pacific and appealing to anti-nuclear sentiment throughout the rethat U.S. Ambassador Reginald Bartholomew has been successfully urging gion. Unlike the Soviet Union, the on Washington should continue in the difficult aftermath phase. He rightly United States refused to sign a treaty argues that preserving the U.S. stake in three other vital installations in to create a nuclear free zone in the South Pacific, lest it have adverse onsequences for NATO.

In the Philippines, U.S. support for gained from Felipe-bashing.

Mr. Bartholomew appears to have the corrupt government of Ferdinand aimed from the start to lashion a nego-tiator's compromise of splitting the dif-Marcos contributed to emerging nationalism, which jeopardizes the U.S. presence at the Clark and Subic Bay ference. His last effort, in November, was to offer to withdraw one-third of military bases. And President Corazon the F16s in return for letting the others stay in ambiguous circumstances. But Aguino has not been the deus ex machina the White House had hoped. each bargain he proposed met with in Her inability to proceed with political unvarying one-word reply: No. The Spanish refused to budge from what was not a demand but a decision on the and economic reforms has led to growing public support for the communist insurgency, which Moscow is materi-

ally abetting. Throwing money at the Philippines, which Senator Alan CranThis was not the kind of negotiaas other lawmakers, have proposed in their \$5 billion aid package, is not likely to solve the problem even if the United States could afford it. cut the best deal. Spain was the impe-rial power in the Philippines a century. ago, and we have to establish that we Washington has also been slow to respond to national and cultural are not just another Philippines or Greece, looking for a deal. trends in the Middle East. U.S. policy in that region is shaped mainly by the administration's pro-Israel stance and

The two nations also talked past each preoccupation with the Soviet other on the crucial question of "subsi-Union, without adequately taking into tution," as it is called in negotiating account the rising tide of Islamic fundamentalism. Mr. Reagan has committed its armed forces to take up the missions carried out by the 401st launched an effective anti-terrorism · campaign, but terrorism is a vile symptactical wing as part of any withdrawtom of a pervasive cultural revolution. al. Given the sensitive nature of the The short-sighted Middle East polmission of the 72 F16s that make up. icies pursued in Lebanon, Libya and the wing, it is doubtful that there was now the Gull since the laudable but ever full understanding on this.

In the event of war, the F16s would be redeployed from S short-lived peace plan in 1982 have stimulated further fundamentalist vi- be redeployed from Spain to northern olence and forced moderate Arab Italy and Turkey, where they would governments to distance themselves pick up nuclear bombs that are stored from Washington. Moreover, U.S. in those countries. Neither the Spanish policy in the Gulf has provided a polit- nor the Americans talk about what policy in the Gulf has provided a political windfall to the Soviet Union, which is carving out a position as a power broker in the Iran-Iraq war.

Moscow may also benefit from the Reagan administration's militant anti-Sovietism in southern Africa. Its approach to problems there has precluded mediation of the conflict in Angola and progress toward a settlement in Namibia. While economic sanctions are unlikely to cause South Africa to protray the "negotiation" streams has

are unlikely to cause South Africa to alter its policy of apartheid, military support for the National Union for the Total Independence of Angola, the termination of aid to Zimbabwe and the dispute for NATO as the French withrefusal to offer economic assistance to drawal was in 1966. Until now, Spain Mozambique have further alienated has shown little interest in what the black Africans and eroded U.S. influence, while Soviet influence has inficials complain that Spain has been creased in Angola, and Prime Minister Robert Mugabe of Zimbabwe has sought economic belp from Moscow.

Thus far the administration's failure to devise policies that deal more offectively point the complexity of the complexity of

effectively with the complexity of problems the United States laces around the world has not resulted in a major foreign policy defeat. Ronald by the summer of 1991 means this Reagan has been lucky. But his suc- becomes an immediate issue as the INF Reagan has been lucky. But his successor may not be as fortunate. He may bave to preside over the unravelling of U.S. global influence. In addible aircraft like the F16 in arms control. tion to arms reductions, this unhappy prospect may be the other legacy Mr. Reagan leaves the American public. easy about President Ronald Reagan's dealings with Mikhail Gorbachev.

Mr. González has made a credible

The writer, senior associate at the Carnegie Endowment for International Pearse, was on the State Department's now up to him and his aides to: policy planning staff under the Carter and for a while, the Reagan administrations. He contributed this comment to the International Herald Tribune.

The Washington Rest

The Washington Post.

### 100, 75 AND 50 YEARS AGO

1887: A See for Boston

ROME — The latest feeling and information in Rome favor the news that a Cardinal's hat is likely to be offered to Archbishop Williams of Boston. After the Baltimore Council the general feeling was that Boston, and not Baltimore, should be the next Cardinal See. Not only is that city a sear of learning, but its importance in a Catholic sense is double that of Baltimore. Archbishop Williams, on Baltimore. Archbisbop Williams, on hearing that a strong party was in favor of raising him to the Sacred

1912: A Bomb in Delhi

killing an attendant and wounding another. Lady Hardinge was unitjured. The occasion was the taking over of the area on which the new capital is to be built.

#### 1937: Ford Is Accused WASHINGTON - In the strongest,

most important and most sweeping decision it has yet made, the National

Labor Relations Board today [Dec.23] unanimously accused the Ford Motor Company of violating the Wagner Act, and ordered it to College wrote straight to the Pope and urged the Holy Father to give the "hat" to Baltimore.

College wrote straight to the Pope of its employees in the United Automobile Workers of America Similar neously with the N.L.R.B.'s decision. came news from Dearborn, Mist. that approximately 300 members of the union had been arrested for dis-LONDON — Lord Hardinge, Viceroy of India had a miraculous escape from being killed by a bomb, which was thrown as he was making his state entry into Delhi yesterday [Dec.23]. The bomb exploded with terrific force, wounding the Viceroy, the rule of terror and repression.

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# **OPINION**

# In Bloody Gaza, It's a Race Between Patience and Panic

By William Safire

N EW YORK — Our knee-jerk reaction to pictures of soldiers many Palestinian demonstrators are not handling demonstrators is to regard the soldiers as brutal and the rioters as heroic. That's not always true.

lo Gaza and the territory west of the Jordan River, a score of Palestinian Arab demonstrators have been killed in recent weeks. The bloodshed began with the stabbing of an Israeli and escalated when a traffic accident killiog four Ar-

abs was misperceived as retaliation. As in 1976 and 1981, the disorder has reached deep inside Israel. Arabs holding Israeli citizenship went on strike and demonstrated to show solidarity with their brethren who want to create a Palestioian state out of land within artillery range of Tel Aviv and Jerusalem. Poignantly, during Christmas season, the violence has affected celebrations in places like Nazareth and Bethlehem.

What brought oo the rioting? Gaza is overcrowded and poor, as it has been for vears, under both Arab and Israeli rule. And the Palestine Liberatioo Organization, frustrated by its impotence in the Arab world, foments uprisings and ter-

ror, but that is nothing new.

Added to the usual elements is this: Demonstrations often start and grow because the demonstrators see some chance of success. Palestinian Arabs, sensitive to any lack of resolve to Israel, are aware of the divisions to the coalition government over the calling of a conference that would surely end in major territorial concessions.

Moreover, rioters - iocluding Iranspoosored terrorists to whom death is not a deterrent - have noted increased Israeli coocern for world opinion. Israel is oot the Soviet Union or Syria or South Africa, where coverage of ruthless crackdowns is blacked out. Demonstrators know that the beaving of a Molotov cocktail is rarely if ever caught by the camera, but the subsequent subduiog of the bomb thrower makes the authorities look cruelly repressive on front pages and television. Reprisals to terrorist attack bave been restrained, creating an illusion of weakness.

Add to this the urging of police re-straint by the U.S. State Department, plus finger-wagging by UN oations that machine-gun demonstrators within their borders, plus the handwringing of wellmeaning Jewish leaders safe in America who are all too ready to ignore Israeli

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

crazy to hope that violence will pay off. To enumerate these unintentional io-

centives to violence is not to call for ruthlessoess in the suppression of disorder. The purpose is to find the least worst course in a situation that offers no best coorse — to fiod a way least likely to result in the loss of Arab life or the loss of Israeli freedom.

Most Israelis think, with good reason, that a PLO state at its throat would be intolerable, and that territorial concessions in that direction now would only serve to whet the radical Arab appetite. It is not paranoid to think that the PLO and most totalizarian Arab regimes want to drive the democratic Jewish state out of existence, it is dangerously irresponsible to assume that today's Palestinian Arab nationalists would be satisfied with a slice

of arid land looking at Israeli greenery.

Most Israelis refuse to believe that they are limited to the Three Terrible Choices: l) ruling over a colony of rightly resentful disenfranchised Arabs on the West Bank and Gaza; 2) absorbing all those Arabs into an Israel that would ultimatelose its Jewish identity, or 3) driving them across the Jordan River into a Palestinian state on the East Bank.



Now, I know what this must look like to you, but I want you to at least approach it with an open mind . . . '

Another choice will emerge. In time, realistic Arab rulers beyond Egypt will stop trying to distract their people from internal inequality by perpetuating their "holy war." In time, Arabs of lands adja-cent to Israel's borders will be induced to follow pragmatic local Arab leaders who deliver real economic gains rather than submit to intimidation. Which is wiser. To

bet that time is on the side of terror or on the side of reason? Most of Israel's Jewish citizens want to let historical reality take root. That is why they are prepared to deal sternly with disorder within their borders and are likely to begin deporting West Bank troublemakers to the East Bank. That is why they sit tight, behind defensible borders, and await the genera-

tion of Arabs who will accept autonomy without sovereignty over disputed lands.
The hard-working, intelligent Palestinian Arabs, long despised and used as pawns by a hostile Arab world, are not destined to be ruled over or absorbed or dispossessed by Israel. They can be lived next to, when they are ready to deal.

The New York Times.

# The Story Behind the Tale Of 'The Gift of the Magi'

By Edith Evans Asbury

N EW YORK — During the first decade of the 20th century there burst upon the literary scene in New York a prolific short-story writer oamed O. Henry. He dazzled magazine and newspaper readers with a flow of stories that swelled to a total of 66 in 1904. In 1905 O. Henry's output slowed, but

#### MEANWHILE

he still produced an amazing 49 stories before the year ended. Editors at the New York Sunday World newspaper wanted one more, for their Christmas edition.

Manhattan, near the Brooklyn Bridge.
As young Williams lay on a couch reading a magazine. O. Henry, pausing O. Heary promised them a Christ-mas story, but he was worn out, meotally and physically, and was distracted by personal problems, including debt. He found that he was unable to write. At least tell us what the story is going

to be about, his editors pleaded. We have to let the artist know how to illustrate it. Tell him to draw a poorly furnished room with a beautiful woman in it and a man coming in the door, O. Henry told the editors, and they did,

The day before the story was due, the desperate editors sent a young reporter to prod the author, who was found sitting in a booth to a cozy saloon on Irving Place across the street from his resi-

nist regimes would have had more credibility if Mr. Rosenthal had included

with the same emphasis the neglect of

lost their lives or were raped by Turkish

soldiers in 1974 when those troops invad-

ed Cyprus, using American guns against the laws of the United States.

By omitting such violations of human

rights and not helping to find the solu-

tion to the problems of the Western

world, the American government is

ready to capture the hearts of readers and to be loved for generations to come. It was called "The Gift of the Magi."

"One dollar and eighty-seven cents. That was all," the story began, "and 60 cents of it was in pennies. Pennies saved one and two at a time by buildozing the grocer and the vegetable man and the butcher until one's cheeks burned with

the silent imputation of parsimony that such a close dealing implied."

The money was all young Della had been able to save to buy a present worthy of her beloved busband, Jim, for Christmas the oext day. She dashed to a hair-goods shop where a Madame Sofronic cut off her beautiful, loog, brown hair and gave her \$20 for it. With the hair and gave her \$20 for it. With that, and \$1 of saviogs, Della bought a plati-

dence. O. Henry was smoking a cigar.

He had oot written the story yet.

The young reporter, Wash Williams from Terre Haute, Indiana, sat in the

booth across from O. Henry and watched

him brood. About 9 P.M. the heavyset,

meticulously groomed, 43-year-old writer arose, motioned the young man to

follow and crossed the street to bis

rooms. He wrote in longhand on yellow sheets of paper. At 10:30 he sent for a

messenger to take the beginning of the story to the World office in downtown

now and then to think produced more

pages. By 9 the next morning the story

Sunday World's Christmas editioo.

was on the streets of New York in the

num fob chain to attach to her buswith the same emphasis the neglect of human rights committed by some countries that belong to the Western world, such as South Africa, Chile and, above all, Turkey, which is basing its military power on U.S. weapons and money.

What about the Cypnot "Elenies" who lost their lives or warm spread by Turkish band's most prized possession, his watch. But he, it turned out, bad sold the watch for money to buy a set of jeweled, tortoisesbell side and back combs for Della's long, brown crowning glory.

Every year since 1905 "The Gift of the Magi" has been reprioted somewhere on Christmas Day, It is included

in huodreds of anthologies. lo 1945 it was the subject of a motioo picture. A musical based on it is being re-enacted for the fourth successive year to the off-Broadway Lambs Little Theater.

The salooo in which O. Henry finally dreamed up "The Gift of the Magi" sull there, oow called Pete's Tavern, It has pictures of O. Henry all over the walls and does a thriving restaurant business, It's near Gramercy Park and oot too far a walk from where I sit writing this in my home in Greenwich Village. I went there again for lunch recently, to muse about the story behind the story that almost didn't get written, and the O. Henryesque, surprise way it ended.

The author, who was a reporter for The New York Times for 29 years, is writing t book about O. Henry. She contributed this comment to Maturity News Service)

# LETTERS TO THE EDITOR

#### **Even Mice Can Bite Back**

Regarding "Reductance to Boost Domestic Demand Sours Trade Ties with U.S." (Special News Report on Japan, Dec. 9):

Stuart Acerbach's article raises questions, like: Why does the United States stand by and leave the dollar to the linancial market mechanism, to slump further, while the central banks of Europe and Japan are hectically trying to support it?

With the unprecedented huge U.S. fiscal and trade-balance deficits, even

though boosting the Japanese and German domestic demand may belp a bit, could it basically solve U.S. deficits? Does the United States oot perceive a deeper cause, political and ecocomic, at the bottom of this financial mess? And, when there are oumerous successful foreign companies in Japan, why do the majority of American business-

men try to push through legislation to protect themselves? Protectionism will only strangle them in the loog run. Why don't they start up a "Buy American, campaign instead? And boost demand for American goods?
Why does the United States not retaliare against the exports from South Korea, Hong Kong Taiwan and Singapore? (Look up the percentage they hold in

good quality? Has West Germany collab-orated with the United States's request? Other European countries?

Suppose the United States were dependent on imports of food more than 70 percent, or 90 percent in oil and for all the industrial materials? From where could she secure the hard currency to purchase them if the exports were drastically curtailed? You cannot argue about an orange with an apple io mind. The economies of the United States and Ja-pan are intrinsically different.

How would Americans feel if a Japanese or a German were to come into their bomes and arrogantly tell them to buy this and that? It is good to remember that there's a limit to patience, and when anybody is pushed around too much, even a cornered small mouse will bite back at the cat.

H. FUKAZAWA. Reichenfels, Austria.

#### The Case for Legal Drugs

During my last 10 years of heavy drinking (1 stopped oo March 13, 1985). I progressively abandooed the use of canpabis, the two substances being violently antipathetic. In the gray hell of post-alcoholic depression, I rediscovered it when it showed me the colors of a bowl of flowers and the molten gold of the sun import statistics.) What are the reasons to boycott Irmian oil when Japan oeeds its

pouriog through the lattice of a lace stances; and the police forces which are against the world's totalitarian commucurtain. I have smoked it rarely since, because I am not prepared to buy adul-terated rubbish from street dealers, and I am too old to enjoy the frisson of illegality which looking for it iovolves, the frisson which, in fact, attracts so

many young people to it.

Manjuana serves as a "gateway to other substances" only because any young person is automatically criminalized by buying or smoking it and, once a criminal

"As well be hung for a sheep." Otherwise, there is no more logical connection between marijuana and heroin than there is between mayonnaise and anabolic steroids. Then there is the big A. I still dream

of malt whiskey; my throat can ache at the memory of Ruddles Country Ale.

Mrs. Reagan says, "Each of us has a responsibility." I would ask, "Madame, do you drink."

Let's face it: No drugs is good drugs but that has oever been the case. In the necorded history of man every society has had its sweetener. When alcohol was banned, you get Al Capone as pusher. And you can't, in the end, ban cannabis (or, for that matter, heroin or cocaine) for the same reasons: they will be sold anyway by those prepared to take risks to make a profit; what is sold will be adulterated (for profit) and will often be more dangerous than the pure submore dangerous than the pure sub-

24-12-87

Country

Copenhagen. The Flip Side of Reforms The flip side of Mikhail Gorbachev's

called upon to enforce unenforceable

laws will be corrupted by the huge prof-

its which the illegality of the substances

PAUL McNEILL.

guarantees. It goes round to circles.

reforms is that they have made the West treat as remarkable and miraculous elsewhere what at home is commoo and uneventful; the right to search for and debate the truth. Perhaps the first item on the "itinerary" for those upset with George F. Will (Letters, Nov. 27) should be their own letters — and to mardet at the

system that lets them speak and disagree exactly as they did with Mr. Will's opinion column "For Gorbachev's U.S. Visit, Try This Didactic Itinerary" (Nov. 17).

# RONALD ISSEN.

And the Other Elenies? The opinioo columo by A. M. Rosenthal, "Reagan Left Something Out of Eleni's Story" (Dec. 16), was correct in every respect, but if President Reagan left something out, I think Mr. Rosen-

thal left out much more. The cootinuous polemic over the year

helping Mr. Gorbachev to become the defender of the Third World, Th. KOULIS. Piraeus, Greece. Where Has Harry Gone?

I was stuck in Venice for Thanksgiving and spent the day anticipating some sort of holiday gesture at Harry's Bar. 1 went to dinner and ate fish instead of turkey. I got to Harry's at 11:30 P.M. It was closed. Who's running that place these days? And where are they from? DENIS BOYLES.

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By Julia Preston

Washington Post Service CITÉ SOLEIL, Haiti - Many Haitians who live on the fetid marsh that rims Port-au-Prince do not put much stock in voting, but they decided to give it a chance last Nov. 29 when Haiti was expecting its first free, honest election in more than three decades.

But when the independent electoral board stopped the balloting that Sunday amid a wave of terrorist killing in the center city, many Cite Soleil slum dwellers shrugged, went home and gave up on the idea of democratic elections, community leaders now say.

The leaders predict that many despairing voters from Port-au-Prince's biggest, ugliest slum will stay home on the next election day, scheduled Jan. 17.

The Cité Soleil residents most likely to turn out in the second round, residents say, are those habituated during three decades of Duvalier dictatorship to rubber-stamp referendums, when poor people made a few pennies by selling their votes and went to the polls to stay on the

right side of the man in power. "People here won't vote for hope again. If they find a leader who will give them a little money, they'll vote for money, said Wilner Membrun, president of the main Roman Catholic community organization in a Cité Solcil district named Brooklyn.

Long lines had curled around its polling stations at dawn on Nov. 29. Only five miles away in the center of Port-au-Prince, gunmen test over from the 29-year dictatorship were shooting voters, stalking jouroalists and buroing polling places. But Cité Soleil remained quiet throughout.

By Helen Dewar

Washington Post Service

WASHINGTON - The Senate

will approve the U.S.-Soviet nucle-

ar arms treaty next year unless "un-

expected flaws" are discovered, the

Senate Democratic whip, Alan Cranston, of California, has pre-

dicted on the basis of preliminary counts indicating that no more

 $m{A}$  'White Christmas'

Is All-Time Best Seller

NEW YORK - A total of

170.884.207 records of "White

Christmas" bad been sold as of

June 30, making it the best-

selling recording of all time in

North America, a spokesman for the Irving Berlin Music

The song, which Mr. Berlin wrote in 1942 and Bing Crosby

immortalized, has also sold

5.868,204 copies in sheet music.

Corp. said Wednesday.

charge of one polling station here. Although close to town, the area remained virtually cut off for nearly two weeks because terrorists crippled the Catholic and Protestant church radios - from which the slum normally hears about the world beyond it.

The ruling National Government Council, headed by the armed forces commander in chief, General Henri Namphy, is putting to-gether an election for Jan. 17 after allowing the first one to collapse and dissolving the broadly popular electoral board that organized it.

The army's preparations, including the swearing in Dec. 12 of what now essentially is a hand-picked board, closely match those they made for the 1957 vote in which François "Papa Doc" Duvalier rose to power, according to those interviewed.

Back then, the military had full charge of the elections process. Now, Cite Soleil residents say, it seems that Haiti is reverting to those times. Four leading presidential candidates from the Nov. 29 vote are boycotting this elec-

As many as 200,000 of Port-au-Prince's 1.2 million residents live in Cité Soleil.

tn 1967, Mr. Duvalier moved to rid the waterfront of what he viewed as unsightly clutter. The shanties were burned and the squatters fled to the salt swamps that are now Cité Soleil, City of the Sun.

Over the weekend, dozens of laborers were still shoveling gravel, trying to harden the acres of black slime where their shacks gradually sink, year after year. Roman Catholic mission-aries pay the sbovelers, mostly with food, for what is one of the best jobs going in the neigh-

"The people still don't understand what hap-pened," said Lanaud Derazin, 21, who was in

INF Pact Expected to Easily Pass Senate

crippling amendments, but he cauference also reflected lingering con-

tionable.

the pact.

Senate now unanimously support ston said opponents are working on on directly."

foregone conclusion.

But Mr. Cranston's observations

at an end-of-the-session news con-

tioned that "ingenious minds are at cero over the possibility of "killer is campaigning for the Republican amendments" that could be adopt presidential nomination, also ex-

ed by majority vote, requiring rene-gotiation of the accord along lines

Mr. Cranston said these could

agreements dealing with reduction of strategic nuclear weapons. A

never come to a vote in the Senate.

fatal tampering with the treaty on

issues that are not directly related

withdrawal from Afghanistan as a

condition for implementation of

Senior Republican leaders in the treaty by indirect means, Mr. Cran-people willing to take it [the treaty]

He said he sees no chance for

that the Soviets would find objectlead the fight to defeat them.

come in the areas of verification, he said would be backed by the

conventional-force levels, enforce- president, to address senators con-

ment of past treaties and restric- cerns over verification, compliance

tions on negotiation of future and the imbalance of conventional

1979 Strategic Arms Limitation
Treaty remains unratified, having news conference, Mr. Cranston

to it, such as demands for Soviet reservations as the treaty makes its

To head off attempts to kill the adding that "there are very few

Mr. Cranston, a leading pro-treaty strategist, said there also ap-

pear to be enough votes to fend off

Mr. Cranston's assessment on Tuesday was the latest in increas-

ingly optimistic forecasts for the

two-thirds vote necessary for Sen-

ate approval of the treaty signed

here Dec. 8 by President Ronald

Reagan and Mikhail S. Gorbacbev,

the Soviet leader, to eliminate me-

dium- and shorter-range nuclear

At their summit meeting, the two leaders announced plans for Mr.

Reagan to visit Moscow in June.

leader, Bob Dole, Republican of

Kansas, endorsed the INF treaty

and predicted its approval. His

statement was seen as bolstering

support for the pact among GOP

conservatives who bave voiced

strong objections.

Last week, the Senate minority

dents know where tomorrow's meal will come from. Yesterday's garbage stands in heaps that buzz with flies and block the roadways. Only a small minority of the community can read or

When General Nampby's transition government came in, there were no new jobs, no new sewers, no new ideas. The Belgian Salesian missionaries continued to build schools and provide cinder blocks for housing.

We stay alive by the Catholic Church. We don't get anything from the government. The affairs of the government don't exist for us," said Mr. Membrun, a community leader.

About the only group to revive political activity in the past 22 months were former smalltime Ton-Tons Macoutes and a new generation of young street toughs who admired them.
After Mr. Duvalier fled, the well-known Macoutes were driven from the community and a few were murdered by slum dwellers who considered themselves victimized during the dicta-

But rank-and-file militiamen and other Duvalier backers stayed quiet for a time, then gradually re-emerged as leaders of some of the loose block committees that bind the slum

logether.
"The way Haiti is now, we need a strong man to lead us again. For Haitians, the strongest man is always right. And today the Government Council and the Macoutes forces are the strongest," said one such block committee head, Reynold Mendoza, 29. He was interviewed on Soleil 5 Street, where he was patrol-

ling his turf.

The Reverend Luc Lanoo, a Belgian priest who has worked here for years, sees the future this way: "Right now everyone's looking to eat. But the day Cité Soleil takes to the streets ...

Mr. Dole, in an article in

Wednesday's editions of the Des

Moines Register in Iowa, where he

pressed concern about "killer

amendments" and pledged to help

or more "Dole initiatives," which

military forces in Europe without

said that he counts less than 10

outright opponents in the treaty,

although the number could change

depending on amendments and

way through the Senate.
"I think there are now enough

votes to assure approval," be said.

jeopardizing the treaty.

Mr. Dole said there may be one

Four Haitian presidential candidates at a press conference on Tuesday in Port-au-Prince calling for aid in helping

Haitians rid themselves of ruling Junta. From left: Gerard Gourgue, Marc Bazin, Louis Dejoie and Sylvio Claude:

He also demonstrated that the

Asked how many casualties Rus-

sian troops bave suffered in Af-

tion in December, 1979, be

declined to answer, saying that

Moscow does not give out such

information and that be would not

#### **OFFENSIVE:** Soviet Drive Baffles the Pentagon Wednesday of the battle for the of the war that bave been remarkable for their frankness.

Mr. Gerasimov said at a press

the only news of the military strug-gle in Afghanistan were available

through leaks or from the West, the

ing slow but steady progress and should reach Khost, about 15 miles from the Pakistan border, in the than 10 senators now appear likely the treaty, and foes of the pact ways to satisfy senators' concerns to oppose the pact.

When the treaty and foes of the pact ways to satisfy senators' concerns without jeopardizing the treaty its conceder that approval now seems a ways to satisfy senators' concerns without jeopardizing the treaty its conceder that approval now seems a ways to satisfy senators' concerns without jeopardizing the treaty its conceder that approval now seems a ways to satisfy senators' concerns without jeopardizing the treaty its conceder that approval now seems a ways to satisfy senators' concerns without jeopardizing the treaty.

conference that in the past two Soviet campaign for more openness days the Soviet-backed forces have wiped out 1,500 rebel troops and bowever. But one Pentagon official said the Soviets would be "crazy to stay there" and would need "10,000 within 24 miles of Khost.

Unlikely even a year ago, when men to hold the road open behind

The fighting has resulted in an-other wave of Afghan war refugees streaming into neighboring Paki-stan, with Pakistani diplomatic sources bere reporting between 10,000 and 15,000 new arrivals in the past few weeks.

■ Soviet Candor on Fighting Gary Lee of The Washington Post reported from Moscow:

For the first time since Soviet troops and tanks rolled into Afghanistan eight years ago. Moscow is raising the veil on the most brutal aspects of the fighting between the Communist regime and the rebel forces there, providing candid accounts of Soviet opposition to the war and of the marks it has left on Soviet soldiers.

In the first official report ever publicly made in Moscow of the lighting in Afghanistan, the Foreign Ministry spokesman, Gennadi I. Gerasimov, gave journalists a blow-by-blow description on

Mugabe, Nkomo

Zimbabwe Unity

New York Times Service

Mr. Mugabe and his longtime rival, Joshua Nkomo, set aside their

bitter personal antagonisms to sign a "unity agreement" on Tuesday.

The prime minister recalled how the two had joined in the struggle against white rule in what was then Rhodesia. He glossed over their ri-valry, which dates from the 1960s. This occasion fills me with

in hand, knowing that we leave behind us a united country."

utive president on Dec. 31.

Sign Accord on

in the country.

In Iran, Real Estate Agents

unexpected report followed several information and tha months of official Soviet accounts make an exception.

Unlikely even a year ago, when ghanistan since the Soviet interven-

And Car Dealers Face Death

NICOSIA — An Iranian official said Wednesday that real estate agencies and car dealerships are "false professions" that should be closed and warned that agents and dealers could face execution. Tehran radio, monitored bere, quoted the supervisor of the iribunal in charge of guilds as saying that as long as real estate agents and car dealers continued to act as middlemen there would be no lowering in

The supervisor, identified only as Ramazani, also said: "Estate agencies and car dealerships cannot be regarded as a profession and should be described as false professions. The tribunal in charge of guilds calls on the Central Guilds Council to close down these false

'If estate agents and car dealers did not review their practices, legal power would be utilized and they would be declared corrupt on

# the prices of cars, land or bousing.

earth." he was quoted as saying.

Being "corrupt on earth" is the most severe charge in Iran. It often

# carries the death sentence.

#### INTERPOL: On the Road to Lyon crime syndicates are increasingly involved in the business, but sen-

Interpol on loan from the U.S. tences are generally lenient and counterfeiting usually comes low on the list of police priorities. Inter-pol has drawn up model legislation

The 25 men and women working for Mr. Higdon speak 22 languages between them and, be said, "have profound regional knowledge." HARARE, Zimbabwe - The main Zimbabwe opposition group has agreed to join Prime Minister The department keeps such a de-Robert Mugabe's governing party in a move that is expected to reduce tailed track of world narcotics trends that the World Health Organization described on it for abuse nization depends on it for abuse

But it also gets involved in the minutiae of police work. For example, Interpol analysis found the same telephone number in Bolivia in address books taken from two

drug runners arrested in Lisbon and Frankfurt. The discovery led to the arrest of an important narcotics trafficker in Belgium, Mr. Higdon says that though he never lays a can now move into the future hand hand on a criminal's collar himself, "I still feel like a cop, even if I never carry a gun any more."

While most governments view Mr. Mugabe bad much to cele-narcotics trafficking as a serious brate, since the unity agreement crime, Robert Littas complains assured there will be virtually no that his speciality is less well underobstacles to achieving his goal of establishing a one-party state after be becomes Zimbabwe's first executed by the state of the state gotten gains every year. Mr. Littas, a Swedish policeman, is head of the He will be the merged party's secretariat's economic and finanfirst secretary and president. There cial subdivision, responsible for will be two second secretaries and keeping tracks on fraud, maritime

rican People's Union, and most more international crimes, but the likely for Mr. Nkomo himself, to fact is that some countries don't have a secondary leadership positake it seriously," he said.

currency. It keeps samples of almost every currency issued in every country, including the Soviet Union, which is not an Interpol member - although officers ac-

knowledge that counterfeiting rubles is not a big problem. With 146 members, Interpol's membership roster inevitably in-cludes some of the world's nastier dictatorships. What guarantee is there that the organization is not indirectly lending support to police states? The answer, according to Mr. Chamorro, is that it deals only

in an an attempt to get govern-ments to prosecute malefactors

more vigorously.
Under a 1929 Geneva conven-

tion, Interpol has special responsi-bility for the repression of false

with clearly defined criminal activi-Interpol's charter forbids in- Are Jailed in Norway. volvement in any question having a political, military, religious or ra-cial character. Three judges, from France, Luxembourg and Switzerland, sit on an internal control commission to answer queries from the public about the contents of the

files.
Despite the prohibition on dealtwo vice presidents. Those deputy piracy, trademark counterfeiting Despite the prohibition on dealnosts will allow for leaders of Mr.
Nkomo's party, the Zimbabwe Af"Counterfeiting is one of the tariat has over the past couple of years become increasingly involved in the battle against terrorism, but only when it is clearly international Evidence indicates that major in nature.

# **SPAIN:**

#### Ultimatum to U.S. (Continued from Page 1)

gate to the United Nations, Vernon A. Walters, was quoted as having said that "if there is no agreement on bases in Spain and we are told to leave, we will leave. If we are not

wanted, we will go."
"But we Americans will not for get," he added, "an unfriendly ges, ture toward us."

The chief American negotiator, Reginald Bartholomew, the U.S. ambassador to Spain, declined through a spokesman to comment on the details contained in this article. The Spanish Foreign Ministry spokesman also would not com-

U.S. officials have estimated the probable cost of relocating the aircraft elsewhere in Europe at more than \$500 million, and have pre-dicted that it would be difficult to find a new home for them on NA-TO's southern rim. The F-16s would deploy into Italy and Turkey in the event of war and stage nuclear strikes with weapons stored in. those countries, according to Beigium, Portugal and Morocco

are reported by diplomatic sonrees to have expressed interest in holding discussions on taking some erall of the F-16s, but Washington; has refused to consider finding a new base for the aircraft while ne-&

gotiations with Spain continued.

The sudden decision by Mr.

González appeared to catch U.S. negotiators off guard. They were still advancing compromise proposals that would have kept some of the F-16s in Spain if accepted; and had prepared for a round of negotiations set for Dec. 18.

But the December round was hastily postponed until an unspecified date in January after Foreign.
Minister Franciso Fernandez Ordonez personally told Mr. Bartholomew on Dec. 10 of the decision made on the F-16s by Mr. Gonzalez and his cabinet. The Umted States would have three years after the agreement expires in May 1988, to withdraw the aircraft, Mr. Or

donez said.

The U.S. negotiator reportedly replied that the Spanish decision. was unacceptable.

The stationing of U.S. troops in Spain is seen by many Spaniards as a symbol of the help the United States provided Franco in breaking out of the diplomatic isolation that be faced at the time.

#### 11 Dissident Iranians Reuters

OSLO — Eleven leftist Iranians; who stormed their country's embassy in Oslo on Sept. 10 and sparked a violent siege have each; been sentenced to six months in prison.

Justice Ministry officials said the 10 men and one woman, who said? during the two-week trial in Oslo-that their action was politically motivated, will probably be expelled from Norway on completion of their sentence.

# CONTRA: Troops Pull Out After a Two-Day Offensive LONDON:

(Continued from Page 1)

Nkomo's party, the Zimbabwe Af-

troops and 50 civilians - had been killed. Mr. Bermudez said his initial reports said there were more than 100 Sandinist dead. Mr. Bermudez said the primary

goals of the operation were accomplished. These, he said, included the destruction of radar installations used to monitor supply flights to the contras, of ammunition depots in Siuna and of a hydroelectric ary attacks along a road to the generating plant in Bonanza used to run the mines.

He said that the contras also wanted to disrupt the gold and silver mining operations that earn foreign exchange for the Sandinist government.

sophisticated assaults and of massing more than 4,000 troops, with support from local populations, for

considered too dangerous.

The Sandinists initially said only of the total to 3,000.

on the three mining communities were carried out by 4,400 men. Anthe pact, which was signed in Auother 2.600 were used in diversionmen in announcing the attack.

was conceived two months ago and 2-Day Cease-Fire originally scheduled for the end of

Republic. President Daniel Ortega Snave-The peace talks were called off dra of Nicaragua announced the The reporters had been told they would visit one of the captured after the contra delegation refused rease-fire last week.

communities, but the trip was canceled by the contras because it was German politician representing the Sandinists.

The talks were part of the effort about 1,000 rebels tonk part in the by area governments to negotiate attacks. Sandinist officers in Mana- an end to the region's wars. The gua have since raised their estimate presidents of Guatemala, El Salvador, Honduras, Nicaragua and Mr. Bermudez said the attacks Costa Rica are scheduled to meet

south, bringing the total for the operation to about 7,000, the num-The collapse of the cease-fire ber initially used by contra spokes ther heavy fighting over the holidays...

The Sandinist government will [In Washington, State Department officials said the attack signimont been possible to get troops into with the contras despite this week's November. He added that it had observe a two-day Christmas truce fied the evolution of the contras from a ragtag fighting force to one claimed, it was a coincidence that it from Managua. A Defense Minisrepresentatives for a second round announced on midnight Wednesof cease-fire talks in the Dominican day and run until midnight Friday. President Daniel Ortega Snave-

(Continued from Page 1)

ing all four weeks. Christmas profits from his show, "Acting Shake speare," to a hospice to help AIDS victims die in peace.

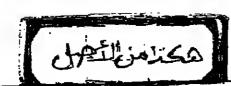
"It's a time of good will and giving," he said. But the risks of high hopes in charity were exemple fied by Bob Geldof, the rock impresario, who returned from another visit to Africa to report that the rock charity songlest on world television a few years back did not stem the famine problem after all.

Those in need of a bracing from? Dickens in all this can go to the new six-hour film version of his. "Little Dornt," the work rooted in the misery of the debtors' jail suffered by Dickens's father. Progress 4 has shut that jail, but a group called capable of carrying out much more sophisticated assaults and of massnegotiators were to meet Sandinist that the cease-fire would begin as ing is producing suicide and de-

BIG CROSSWORN

# L'ART D'ÊTRE UNIQUE







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# SCIENCE

### IN BRIEF

Photonics: A Step Beyond Electronics

BERKELEY HEIGHTS, New Jersey (WP)—Photonics, a field whose promoters say it could someday rival or even supersede electronics, took an imposs say it could someday rival or even supersede electronics, took an important step forward when engineers at AT&T Bell Laboratories

demonstrated a new optical amplifier.

The optical amplifier is so effective it allows the span between repeaters, which boost a dimming signal in a fiber optic cable, to be increased to a record-breaking 230 miles (370 kilometers). The amplifiers are also the first that much without harmonic consent the optical signal toto electronic first that work without having to convert the optical signal ioto electronic form and back into photonic.

This experiment shows that optical amplifiers may be practical in the future," said David Lang, director of the Bell Labs research facility. Engineers describe the amplifier as a "converted laser" that, when stimulated by an incoming light signal, emits its own light a thousand times brighter.

# Interferon May Assist in Pregnancy

COLUMBIA. Missouri (NYT) — A protein that had not been previously linked to pregnancies may play a crucial role in getting a pregnancy of scientific speculation since the time of the immune system kill viruses and certain kinds of cancer cells. But new studies show, for the first time, that interferon can work as a hormone to previously appropriate the immune system in the first time, that interferon can work as a hormone to previously approximately approximat

The findings were made in sheep, cows and pigs, and it is not yet clear whether the interferon acts the same way in human pregnancies. But Dr. Michael Roberts of the University of Missouri said no one had ever looked for it in burnan pregnancy and he plans to search for the same

Dr. Roberts initiated the work by studying pregnancy in sheep, asking what it is that alerts a ewe, biochemically, that it is pregnant, even before the embryo becomes implanted in its uterus. When the researchers gave the interferon to female sheep that were not pregnant, the animals developed "pseudo-pregnancies" and secreted hormones that normally are made when they are pregnant.

### Scientists Find Slabs of Earth's Crust

PASADENA. California (NYT) — Geophysicists at the California Institute of Technology believe they have solved a long-standing scientific mystery: What happens to material from Earth's moving crustal places after it sinks out of sight at the so-called subduction zones? The cones are cracks at the margins of the crustal plates, notably the "ring of fire" around the Pacific basin.

Using a new technique of seismic exploration, the geophysicists said they discovered 400 miles (644 kilometers) under the Asian continent huge slabs that were once part of the Earth's crust. The slabs appeared to be remnants of the Pacific crustal plate that slipped under the Asian

The geophysicists said the results support the theory that the crustal material only sinks part way into the intermediate mantle, to be reheated and later to rise at the mid-ocean ridges where new crust is formed.

#### **Questions Concerning Ear Treatment**

SAN ANTONIO. Texas (UPI) - A study has cast doubt on the treatment doctors most often use to treat one of the most common study of a fossil family drawn from medical problems among children - chronic fluid in the ear following one place in the earth's crust, shows earaches. It was found that removing the adenoids was actually more effective than the most commonly used method — inserting tiny tubes through the eardrums to drain out the fluid.

The fluid can impair hearing and can lead to permanent hearing loss in mains of a small, crab-like creature, a small percentage of cases. It is the leading cause of hearing loss and the blends smoothly into its evolutionmost frequent reason children undergo surgery in the United States. ary successor, be argues. He sees no Removal of the adenoids was the accepted practice, but doctors have gaps or jumps. Instead of long periabandooed the procedure in the belief that draining fluid was more ods of equilibrium punctuated by

The children who had their adenoids removed and the tubes inserted toto their ears had the fewest additional related problems. But their conditions were not significantly better than the children who only had lion years. their adenoids removed, said Dr. George A. Gates of the University of Texas Health Science Center.

# Discovery of the Gene That Determines Sex

By Harold M. Schmeck Jr. New York Times Service

N international team of scientists has

An international team of same a gene discovered what appears to be a gene that determines whether a human embryo will grow into a male or a female.

Whenever that gene is present in the chromosomes of the fertilized egg, the scientists believe, the fetus will develop testes and grow to be a male. When it is absent the fetus will develop ovaries and become a female. The newly discovered gene is be-lieved to act as a biological switch, turning other genes on or off.

Scientists described the discovery as a

place in the male appears to be the action of the process of sexual differentiation. of a single gene located on the Y chromo-

some, which is found normally to male same gene in other mammalian species ribonucleic acid) or RNA (ribonucleic missing Such females often do not mature

for testes determining factor.

"What we have found is a major step toward understanding the age old question downent between male and female has of sex determination." said Dr. David C. long been known to lie on the Y chromo-Page, the principal author of the report. He some, the male sex chromosome. The noris a research fellow at the Whitehead Insti- mal genetic complement for the male is 22 tute for Biomedical Research of the Massa-pairs of non-sex chromosomes and a 23d chusetts Institute of Technology in Campair that consists of one X and one Y. For bridge. His colleagues in the research are at females the 23d pair consists of two X the University of British Columbia and the chromosomes. University of Helsinki.

ered is the sex-determining gene not only in or several genes situated at various scatmajor step in understanding the process in humans, but in all other mammals as well," tered points on the Y chromosome. which a single fertilized egg develops into a said Dr. Page. "The main impact over the

said the study appeared to be very compre-bensive and was of "fundamental impor-abling detailed studies of its properties.

The newly identified gene is named TDF bits and goats and something closely simi-

ar in mice. The deciding difference in genetic en-

For many years it was unclear whether We suspect that what we have discov- the key sex determinant was a single gene

The new studies indicate that the testes next few years will be to opening up a determining factor is situated on one small whole new area for basic research."

specific part of the Y chromosome and that Dr. Bruce McEwen of Rockeleller Uniin is very probably just one gene. A large
versity, an expert oo sexual differentiation, portion of the gene has been cloned, or

As an individual develops, a complex series of hormonal and other influences occur leading to the production of all the sexual characteristics, male or female. But the trigger for all the changes that take place in the male appears to be the action of the process of sexual differentiation. genes that are turned on and off by this enough of its chemistry has been revealed wise usually physically normal, used to alter the sex of a fetus because master switch, thus increasing knowledge to indicate that it is one of a class of Conversely, an individual who inherits an transplanting the gene would face enorphic research team found essentially the main chemicals of beredity, DNA (deoxy-when a crucial part of the Y chromosome is come would be highly uncertain.

deciding when, and whether or not, other determining factor.

DNA is the active substance of the tions as "sex-reversed." genes. Several kinds of RNA translate the The scientists reporting in Cell said they

At the start, a human embryo has all the come a male or a female, but it becomes a starts the process of development along the tion of the testes determining gene.

Normally a male will develop when the embryo has received an X chromosome from its mother and a Y chromosome from the father.

But the research that led to the new report demonstrated that "maleness" can be conferred by a minute piece of the Y chromosome, even when that piece is inherited with two complete X chromo- such subunits. somes. These males are sterile but other-

including apes, monkeys, dogs, cattle, rab- acid). This evidence suggests strongly that sexually. Study of such cases helped the the testes determining gene is important in scientists discover the gene for the testes

genes related to sexual development are Geneticists refer to people whose sex was determined by such unusual combina-

genetic instructions of the gene into the had discovered one person who had two X process of manufacturing products by the chromosomes, but was male because be also had one half of I percent of the Y chromosome. They have also studied a perother genetic instructions it needs to bepercent of the Y chromosome. Cases such male only if the testes determining factor as these were useful in narrowing the loca-

> Page said all the males his group had examined had the minute portion of the Y chromosome where they believe the gene is situated, while none of the females had it. The key region of the Y chromosome believed to contain the gene has about 140,000 base pairs, the DNA subunits. The Y chromosome has an estimated 70 million

Ethics aside, the discovery could not be

# Fossil Study Fires Evolution Debate

By James Gleick

New York Times Service WhEN Peter Sheldon chipped his first fossil trilobite from some rocks in Wales a decade ago, two American scientists were transforming standard evolutionary theory with B radical idea. Well-established species, they argued, tend to change little or not at all; most real evolution takes place in rapid

bursis at the rare moments when

new species are born.
Fifteen thousand trilobites later, Dr. Sheldon, now a research fellow at Trinity College, Dublin, is put-ung forward a sharp challenge to this conception. He contends that his research, an unusual, exhaustive life evolving as Darwin imagined it.

steadily and gradually.

Each ancestral trilobite, the redramatic changes, the "punctuated equilibrium" model, he finds a picture of continuity over three mil-

which appears to answer the ques-tion," said John Maynard Smith, perhaps isolated geographically, the descriptive process. The way an influential British biologist who, suddenly changes enough to give they are proceed to a suddenly changes enough to give has long opposed the notion of punctuated equilibrium.

Dr. Maynard Smith has written a strongly worded commentary to accompany the trilobite study in the journal Nature, rekindling passionate debate. Proponents of punctuated equilibrium, however, argue that he is exaggerating the importance of the new research and

misrepresenting their positions.
"He should know hetter," said Niles Eldredge, of the American Museum of Natural History, "This is just bad scholarship on his part."

"I really resent what he has said," said Steven M. Stanley, a Johns Hopkins University paleon-tologist. "It makes me seem like some kind of kook." Dr. Eldredge and Stephen Jay

Gould of Harvard University, the original authors of the punctuated a clear trend. The youngest memequilibrium model, plan to write a rebuttal. At stake are fundamental questions of evolution: When and why

does a creature change from one form to another? Is most evolution the slow accumulation of the small This is possibly the most thor-ough study that somebody's made tory fruit flies, or does it occur to

suddenly changes enough to give they are named as discrete species rise to a new species? Suddenly, in gives the impression of abrupt appaleontological terms, can mean pearance." bundreds of thousands of years.

into the proper taxonomic slots. Itally, I'm cheered by this."
dividing them up according to their
To him, the addition of a few ribs Latin names. To his surprise, the over a span of three million years task proved impossible. The lines amounts to little change, little dividing older species from their enough to be considered stasis, evolutionary successors quickly which does not necessarily require came to seem arbitrary, because he "lock-rigid invariance." He ooted found so many intermediate forms, that the differences between trilo-

from the geological record.

Dr. Sheldon, dating his specirock from which he retrieved them, has assembled a history of eight different lineages. Overall, he finds bers of each line had several more ribs than their ancestors had three million years before. But he also finds an occasionally unsteady, di-rectionless kind of change, with

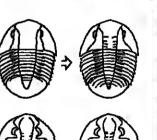
surprising reversals. "I haven't any particular macro-"but I suspect that many gradualis-

Trilobites, as it happens, are a As Dr. Sheldon collected his trispeciality of Dr. Eldredge's, and be lobites he had no intention of in- reads a very different message in truding on this debate, be said. He the Welsh results, "This is much began by trying to fit his specimens ado about nothing," he said. "Ac-

the "missing links" so often absent bites of the different lineages were far greater than between the early and late members of each line. mens according to the layers of Such tiny changes in one geographic locale cannot account for the great trends in the broad tapestry of trilobite evolution, he said. Dr. Eldiedge agreed that the

standard taxonomic scheme was faulty, arbitrarily creating species where none really existed. He said that the Welsh specimens seemed to add up to just eight species.

That assessment irritated Dr. "I haven't any particular macro- Maynard Smith. "Eldredge really Washington, focused oo bryozoa, evolutionary ax to grind," he said, cannot say that," he said. "It really small ocean animals that enerust won't wash. This is the kind of rocks. He found that most change appreciated."



**Parallel Evolution:** Each line of trilobite added a few ribs over three million years.

change that separates existing spe-

Even he acknowledged, however, that punctuated equilibrium correctly describes the tendency of many species to remain static over long periods, a tendency that few recognized a generation ago. Two recent American studies, both gathering detail from thousands of fossils, have lent strong weight to the punctuational model.

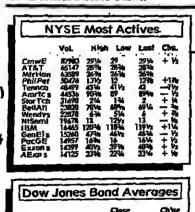
One, by Alan H. Cheetham of the Smithsonian Institution io

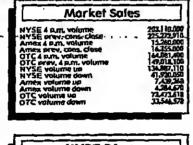


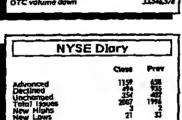
giving rise to new species. Within species, there was little evolution.

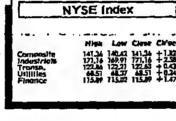
The other study, by Dr. Stanley and Xiangning Yang at Johns Hop-kins, looked at 19 lineages of clams and came to the same conclusion. "Clearly there is some gradual evolution in the evolution of life," Dr. Stanley said. "We shouldn't

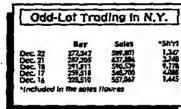
take extreme positions. What we really want to know is where does most evolutionary change occur. If it turns out that most change is abrupt, then we bave a very interesting pattern that people haven't



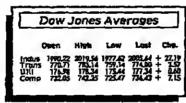


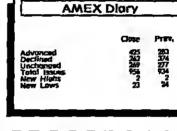


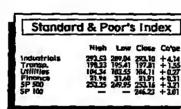


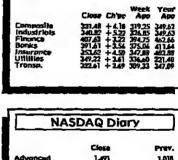




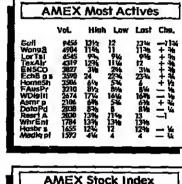








NASDAQ Index



**AMEX Stock Index** 

# Div. Yad. PE 100s High Low Quat. Chips

NEW YORK — Prices on the New York Stock Exchange rose Wednesday in active trading as futures-related buy programs and a firm-ing dollar pushed the Dow Jones industrial average above 2,000 for the first time in about

The index of 30 leading U.S. shares, which fell 11.93 points on Tuesday, closed 27.19 points higher at 2,005.64. The blue-chip indica-

192.70 million on Tuesday.

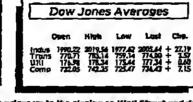
American Stock Exchange issues. Chester Pado, director of technical analysis

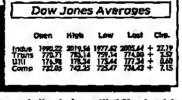
He credited "the G-7 pronouncement that the dollar has fallen far enough and they are looking to stabilize it," adding that "the bond market has been solid all day long, and that has rubbed off on the market" for stocks. Higher bond prices reflect lower interest rates that

noon trading in New York.

Mr. Pado said the prospect that the Dow

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# Dow Rises to Close Above 2,000

tor had not closed above 2,000 since Nov. 2, when it finished at 2,014.09.

Advances led declines by nearly 3 to I, while volume climbed to 203.62 million shares from

with Jefferies & Co. in Los Angeles, attributed the market's strength to news of the announcement late Tuesday by the Group of Seven industrialized nations that it would renew cooperative efforts to halt the dollar's decline.

would improve corporate profitability.

The dollar closed higher in Europe against the Deutsche mark and the yen compared with

would close above 2,000 contributed to the

would close above 2,000 contributed to the market's strength.

Traders and analysts also said that computer-driven buy programs pushed the market up early in the session.

"We saw some buy programs at the end of the session" on Tuesday, said John Burnett, head trader at Donaldson Lulkin & Jenrette. "That helped narrow the losses, and that was followed by some pretty frenzied buying this morning."

Mr. Burnett said be expected the market to continue to move upward through the end of the year.

continue to move upward through the end of the year.

Much of the action on the NYSE was in stocks of speculative quality.

A.H. Robins surged 3½ to 19½ after receiving its second takeover proposal in a week. This time, American Home Products, a former sustor that dropped a similar proposal 10 months ago, offered to acquire Robins for \$550 million worth of American Home securities.

Phillips Petroleum rose 1½ to 12½ in active trading, Responding to rumors and queries, Pennzoil Co. said it owns no Phillips stock and isn't currently buying any of the shares.

Pueblo International jumped 2½ to 16½ before a trading balt on the NYSE. An investor group said it plans to propose a buyout of the company at \$24.50 a share.

Gull Inc. tumbled 11½ to 13½ as the most active American Stock Exchange issue. The company said a planned takeover by Parker Hannifin Corp. had fallen through.

Gainers among the blue chips included International to the company said a planned takeover by Parker Hannifin Corp. had fallen through.

Gainers among the blue chips included Inter-

national Business Machines, up 11/4 at 1191/2; Exxon, up 1/2 at 40%. (UPI, AP, Reuters)

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The latest figures compare with 210,654 units sold in the year-earlier period, when Toyota was accelerating production of its U.S.-made cars.

DETROIT — Domestic sales of U.S.-made cars fell 17.7 percent during the second 10 days of December from very strong year-earlier levels, automakers said Wednesday, while sales of U.S.-made light trucks rose 1 percent.

General Motors Corp., Ford Motor Co. Chrysler Corp., Honda Motor Corp., Volks-

With only one more 10-day selling period to go, car makers have sold about 6.87 million can so far this year, down 13.2 percent from the comparable 1986 period.

comparable 1986 period.

GM's sales declined by 16 percent in midDecember, while Ford posted a 28.4 percent
decline. Chrysler, which formally acquired
American Motors Corp. earlier this year, reported a 15.1 percent slide in sales when compared with the combined total a year ago.

GM's share among the eight car makers rose
to 51.4 percent from 50.3 percent. Ford's share
stood at 25.8 percent, down from an unisually
high 29.7 percent last year. Chrysler's share
stood at 14.5 percent, up slightly from 14.1
percent.

NYSE Highs-Lows

AMEX Highs-Lows

Matsushita and Kodak Form Battery Venture

TOKYO — Eastman Kodak Co. and Japan's Matsushita Electric Co. have agreed to form a joint venture to produce alkaline manganese batteries in the United States, Matsushita said

The new company. Matsushita-Ultra Tech-Battery Corp., will be capitalized at \$30 million and 70 percent owned by Matsushita. It will start production in the first half of 1989 at a site yet to be determined, the company

The batteries made by the new corporation will be distributed by Matsushita under the Panasonic brand name and by Kodak under the name Supralife, the announcement said.

U.S. Automakers Report Lower Sales

General Motors Corp., Ford Motor Co., Chrysler Corp., Honda Motor Corp., Volks-wagen of America, Nissan Motor Manufacturing U.S.A., Toyota Motor Sales U.S.A. and Mazda Motor Manufacturiog (USA) Corp. reported combined U.S. sales of 154,187 cars during the Dec. 11-20 period.

Car makers sold an average 19,273 cars a day during the latest period, which had eight selling days. This compares with 23,406 cars a day in the year-earlier period, which had nine selling

in the light-truck category, domestic sales

INTERNATIONAL

Other Dollar Values

Green and Annual Report

Annua Grand Raises

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# Herald Eribunc. BUSINESS/FINANCE

TO AIR WAVES TOSHIBA

# INTERNATIONAL MANAGER

# British Firms Start to See Benefits in Benefiting Others

By SHERRY BUCHANAN

ONDON—Corporate scrooges are on the way out. According to Charity Trends 1986/1987, published by the London-based Charities Aid Foundation, contributions increased 72.7 percent since 1981.

Last year the top 200 British donor companies gave £57.9 million (\$106 million) or 0.22 percent of their pretax profits to charity, compared with £13.9 million, or 0.17 percent, 10 years and The U.S. average is 1.7 percent.

ago. The U.S. average is 1.7 percent.

Another expression of the increased interest in corporate giving was the creation in London a year ago of the Per Cent Club, which now has 108 members. Corporate club we believe

'We believe

we should put

members give one-half per-cent of their pretax profits to charities, an idea that originated in the United States where Five Percent Clubs and even Ten Percent Clubs exist.

something back in the community.' Many companies are elect-

Many companies are electing to give to programs that promote local business rathan than to nonbusiness causes. Some charity experts believe that's the way it should be. After all, charity does begin at home and businesses should contribute what they know best (managers, skills and training) in an area

"Certainly the trend is to give more to business promotion and to training for young people in the inner cities," said Michael Norton, director of the Directory of Social Change in London, an organization which provides training courses for corporate chari-

ty givers.

"Companies feel a responsibility to do something in that area which is closely linked to what they understand," Mr. Norton said. He added: "Companies should do things which have some connection and relevance to the company. It is the shareholders' money they are spending."

ANY BRITISH companies are now belong to run enterprise agencies that encourage the development of local businesses, setting up training programs for young people and minorities in the inner cities, helping their own staff get started in new businesses, funding secondary-school business educational programs, financing city technology colleges and providing office space and finance for start-up ventures.

Barclays Bank estimates it has given £1.7 million in cash to charities for 1987 and £4.3 million to business promotion plans and training programs.

and training programs.

Douglas P. Reed, manager of social responsibility at the bank, said, "All our effort should help economic regeneration, But we have a social responsibility and we believe we should put something back in the community. In the main we are getting nothing back," Other corporate givers are also funding causes outside the business promotion area.

Laura Ashley Holdings provides funds and furnishings for a home for mentally handicapped children. Marks & Spencer supports Help the Aged's "Lifeline Alarm" Appeal to provide old people who live alone with necklace-like alarms connected to local government offices.

"Companies might start to become more adventurous but, in

the main, corporate giving is still looked at in terms of business promotion," said Desmond Palmer, manager of the Community Affairs Department at Allied Dunbar Assurance, a financial services firm in Swindon, England. Allied, which gives 1.25 percent of its pretax profits to charities, is one of the largest corporate givers in Britain in percentage terms.

Eighteen months ago, Allied launched Action on Disability and Development to assist the disabled in Third World countries. More recently, it has funded a nationwide effort to provide community care for schizophrenics.

### **Currency Rates**

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Cross Rates

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Source: Reufers.

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Sources: Reuters, Bank of Tokya, Com-

# **Deficit** Widens In U.K.

#### November Figure **Exceeds Forecast**

LONDON - Britain's current account deficit widened to £595 million (\$1.09 billion) in Novem-

ber, the Trade and Industry De-partment said Wednesday in a pre-liminary report. The desicit had been £282 million in October. Expectations in financial markets had been for a deficit of around £350 million in November,

dealers said. The merchandise trade deficit, adjusted for seasonal variations, was put at £1.19 billion in November after an £882 million deficit in October. The other main component of the current account, trade in services, was estimated to be in surplus by £600 million in November, unchanged from October.
Exports rose to £6.95 billion in October.

Exports rose to £6.95 billion in October.

ber, while imports rose to £8.15 billion from £7.75 billion.

The cumulative current-account deficit from January through No-vember was estimated at £2.1 bil-

ion. The Treasury's forecast for all of 1987 is for a £2.5 hillion deficit.
The volume of nonoil exports was 5 percent higher in the last three months than the previous three and was 6.5 percent above the equivalent year-earlier level. Imports were up 4.5 percent from the previous three months and 10 percent from the like 1986 period.

Trade in oil in November was in surplus by £341 million, after a £386 million surplus in October.

#### Cerman Trade Surplus

West Germany's current-account surplus widened to 10.3 billion Deutsche marks (\$6.32 billion) in November, according to a prelimioary report Wednesday from the Federal Statistics Office, Revters reported from Wiesbaden.

The surplus was a revised 7.1 billion DM in October. The office, in its preliminary report for October, had said the October surplus was a 6.9 billion DM.

By Michael Quint "

New York Times Service

NEW YORK — As a farmer in the early 1970s, Wayne D. Angell enjoyed driving to Kansas City, Missouri, just to watch wheat

prices soar in trading on the Board of Trade.

wheat," Mr. Angell said, remembering how

its price rose at a time when investors were losing confidence in the buying power of

Rising grain prices were a harbinger of an

Now, after nearly two years as a governor

of the Federal Reserve Board, Mr. Angell

recalls the early 1970s as a period when rising commodity prices should have encouraged the Federal Reserve to move more vigorously

to tighten monetary policy, raise short-term interest rates and bring down inflationary

and showed up in the Consumer Price Index.

the result, Mr. Angell said, was much faster

more attention to commodity prices.

But the Fed did not follow that policy, and

inflation cycle that would eventually lead to

double-digit inflation in 1979 and 1980.

their dollars.

"I was very comfortable holding my



The Hermès boutique on East 57th Street in Manhattan.

# Hermès: Dressing (Itself) for Success Marketing Turnaround Proves Bourgeois Can Be Chic

By Claire Wilson

New York Tonas Service

PARIS — It is early evening on one of the last Saturdays before Christmas, and eustomers at the Hermes shop on the rue Faubourg St. Honore are standing two and three deep at the scarf counter. Salesgirls in dark blazers unfur! square after square of builting the period of the square of builting the period of the square of of brilliantly colored silk patterned with peonies,

toucans and bold geometric shapes.

The crowd in the wood-paneled shop, which sells everything from hunting attire and luggage to fragrances and silk ties, is the usual holiday mix mostly Parisian, with fewer of the usual American and Japanese tourists.

But if the clientele looks younger and decidedly more chic than it did a decade ago, and if the crowd looks bigger, much of the credit goes to one man: Jean-Louis Dumas-Hermès.

Since becoming chairman 10 years ago, Mr. Dumas-Hermes, a fifth-generation member of the family that founded the company in 1837, has worked to give Hermes a younger image, so that its goods would appeal to say, Lady Di, as much as to the Queen Mother.

Now the company's products are recognized status symbols. Its silk scarf, which sells for \$140 in the United States, and its four-in-hand silk tie at \$65, adorn yuppies and other young bourgeois the

to movements in commodity prices."

search center in New York, that provided the

has written articles making a case for the

The usefulness of commodity prices as an early warning has increased, Mr. Angell said.

Still. Mr. Angell maintains that excessive

"He revolutionized the market for Hermes by repositioning the products without changing the quality," said Stanley Marcus, the former chairman emeritus of Neiman-Marcus, which was among the first to carry Hermes merchandise in America after World War II.

By restructuring, bringing in outsiders and com-missioning bolder ads, the 49-year-old chairman not only rejuvenated the image of Hermes, he invigorated sales. Sales this year at the privately held company are expected to reach \$200 million, up from \$50 million in 1978. Sweeping into the Paris store, a space-age car-bon liber briefcase in one hand, Mr. Dumas-

Hermes, just back from a store opening in San Francisco, addressed the salespeople by name and asked excitedly, but discreetly, how many scarves had been sold.

Hermes says its sells a silk square every 20 seconds. The record for a single day on rue Faubourg St. Honore, the flagship store of its 210 shops and outlets, is 1,200. On this day it is 886. Upstairs in his office, a sanctuary that adjoins a roof garden filled with fruit trees, the chairman talked about tradition and transformation at his

Founded as a harness-making business by Thierry Hermes, the great-great grandfather of Mr. See HERMES, Page 10

and analysis to help the Fed predict inflation average of nine indexes: two by the Com- gold as an indicator of a flight from curren-

in commodity prices preceded peaks and

When he joined the Fed, Mr. Angell said

prices would rise before those increases

their "reflective quality." When expectations

modity prices tend to reflect those concerns

flow through" to clothing prices.

150-year-old company.

Fed's Former Farmer Sees Policy Role for Commodities Prices

trends so it can take early action.

Alan Greenspan, chairman of the Federal
Reserve Board, told a House of Representation and The Journal of Commerce, the World

nives subcommittee last week that commod-ity prices can help nations determine wheth-eountries, the International Monetary

er they are facing inflation or deflation. But he said the Fed should maintain as its main goal "the long-run growth of the economy and its provedules with a seconomy of the economy and its provedules."

goal "the long-run growth of the economy and its precondition, stable prices," and tor, Mr. Angell and Fed economists found "should avoid any automatic policy response that over the last 20 years significant changes

at the Lehrman Institute, a nonprofit re- and a half months.

believes the Federal Reserve should pay inflation as they were before the mid-1970s. of inflation are rising, he noted that com-

Mr. Angell presented a paper on Dec. 10 troughs in consumer prices by about seven

most detailed discussion yet of how the cen- he had expected that the role of commodities

tral bank might use commodity prices to plot as a leading indicator of inflation stemmed a course for monetary policy. The institute from their "flow-through quality," or the was founded by the conservative business-

man and politician Lewis E. Lehrman, who ed for by commodines. For example, cotton

The usefulness of commodity prices as an early warning has increased, Mr. Angell said, because changes in money-supply growth are that the "flow-through" quality of commodities might be overshadowed by what he calls

# **U.S. Forecast** For GNP Growth **Cut Due to Crash**

WASHINGTON — The Reagan administration on Wednesday lowered its projection for economic growth in 1988 by more than a full percentage point and cited the Oc-tober stock market crisis as a major

The White House predicted that the economy would grow by 2.4 percent next year after inflation, down from the 3.5 percent it forecast in August.

The stock market collapse will "slow the spending rate by consumers," said Beryl W. Sprinkel,

chairman of the president's Council of Economic Advisers.
"Whether it's already happening, I really don't know," he said, referring to whether the stock mar-

ket decline was affecting Christmas

The administration predicted that economic growth, as measured by the change in the gross national product from the fourth quarter of one year to the fourth quarter of the oexi, would rebound to 3.5 percent in 1989 and stay between that level and 3.2 percent through 1993.

GNP is the measure of a nation's

total goods and services. In other forecasts, the adminis-tration said that civilian unemploy-ment would remain at its Novem-

ber level of 5.9 percent through 1988, drop to 5.7 percent in 1989 and then ease gradually to 5.3 percent by 1993. Inflation, as measured by the

consumer Price Index, will drop to 4.3 percent in 1988 from its 1987 level of 4.7 percent, then decline to 3.9 percent in 1989 and to 2 percent in 1992, the administration said. The administration projected

that long-term interest rates, based on 10-year Treasury bonds, would ease to 8 percent in 1988 and to 7.4 percent in 1989 - down from 8.4 percent currently. For short-term rates, the administration said three-month Trea-

sury bills - now at 5.8 percent would ease to 5.3 percent in 1988 and to 5.2 percent in 1989. The White House issues its eco-

nomic forecasts twice a year. The new projection will be used in the preparation of President Ronald Reagan's fiscal 1989 budget, expected to be submitted to Congress on Feb. 16. For the first nine months of

1987, economic growth increased as a rate of 3.7 percent, according to the Commerce Department. That compares with 1986 growth of 2.2 percent. Mr. Sprinkel said the downward

See FORECAST, Page 13

#### BP Bid for Britoil Approved By Britain's Takeover Panel firmed that it would employ its so

By Warren Gerler

LONDON—Britain's Takeover
Panel, a nongovernmental body
that monitors mergers, ruled
Wednesday that British Petroleum
Co,'s offer for Britoil PLC could
proceed despite government plans
to block BP or any other bidder
from gaining control of Britoil's
board.

Evilonment the panel's announces

Fed should study how its reaction to com-

A primary benefit of a commodity-price

standard, Mr. Angell said, "is to lower infla-

tionary expectations and to lower interest

rates." As the public and financial markets

become more confident that the Fed will prevent inflation, he said, lenders of money

will not demand such high interest rates.

"One of the great pluses about a commod-

ity-price guide is that it clearly shows that the

Federal Reserve's goal is price stability," said Frederick Mishkin, an economics pro-

Some analysts warned, however, that the

"The Fed already has plenty of tools to

Fed must be careful not to overreact to short-

term fluctuations in commodities caused by

fessor at Columbia University.

as investors and speculators prefer to hold goods instead of currency or securities.

The quintessential "reflective" commodity at Griggs & Santow, a New York-based is gold, Mr. Greenspan noted Friday that

gold is a useful inflation indicator "because modity prices were not as reliable a guide to

of the historie and widespread perception of inflation as Mr. Angell would suggest.

on the level of commodity prices.

called golden share - in effect, a

Following the panel's announce-ment. Britain's Treasury real-tender offer for the 70.1 percent that it does not already own values the company at £2.27 billion (\$4.2 Following news of the panel's

pence higher, at 427 pence, on the London Stock Exchange. The Takeover Panel, made up of

Mr. Angell said Fed staff members were leading business people, was estabstill working on ways to interpret the wide lished to monitor takeover activity price fluctuations that were endemic to com- in Britain. It has no statutory pow modity prices but that might not have any er but its recommendations carry economie importance. He also said that the considerable weight.

The Thatcher government atmodity-price changes might vary depending tached golden-share provisions to numerous British companies that it privatized. The aim was to provide time for the former state-owned

See BRITOIL, Page 11

### Acceleration

How much will business speed up when people are flying New York-/London in helf an hour and NLY/To-kyo in two hours? How many Stellines will flow to small but brillion't emerging companies developing the controllers and logic circuits that will make the execution plant world. Write the aerospace plane work? Write, phone or telex for complimentary indigo reports on developments already

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# **Dutch Ease Credit Policy**

expectations before they gained momentum gold standard.

inflation later. To prevent a recurrence, he not as accurate a guide to ensuing changes in

Economists have long recognized that money-supply growth remains the essential commodity prices generally rise before infla-ingredient of inflation.

tion shows up in consumer prices. But Mr.

Angell, who has also been a banker and economics professor, wants to refine that intuition with more rigorous measurements

"I am proposing a commodity price guide to adjust short-run money growth target ranges." Mr. Angell said in his paper.

At his suggestion, the Fed compiled an

AMSTERDAM - The Dutch central bank said Wednesday that it had lifted its restrictions on domestic credit growth after recent discussions with Dutch commercial banks.

Domestic credit expansion had been limited to 11 to 12 percent over two the last two years, or 5.5 percent 6 percent a year, to curb inflation. But the central bank said it was satisfied that the banking system's money-creating activities had decreased to a rate closely in line with

the growth of national income, as measured by the output of goods and services before inflation. The restrictions on credit growth, introduced in an informal agreement between commercial banks and the central bank in February

1986, originally had limited credit creation to the maximum 6 percent But the limit was exceeded in the first year, the bank said. Thus in February 1987 it extended the agreement through December, urging banks to limit their money creation to a cumulative 11 to 12 percent

for the entire two-year period, to reduce the average to the 5.5 to 6 percent annual target. The bank also noted Wednesday that the migration of capital to other countries had declined considerably, while the guilder had strengthened on foreign exchange markets. It said that the guilder's strength had allowed the bank to lower Dutch money-market rates.

Weekly ner asset Weekly net asset Asia value on Pacific value Growth

Tokyo Pacific Holdings N.V. 18-12-1987 U.S.\$ 32-93 Fund on 21-12-1987 U.S. 5199.19 Listed on the Securities Amsterdam Liquidities 41% Stock Exchange Listed on the Amsterdam

Stock Exchange Pierson, Heldring & Pierson N.V. Information: Pierson, Heldring & Pierson NV. Herengracht 214, 1016 BS. Amsterdam Td.+31-20-211188.

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 Recevoir et adopter le rapport de gestion du Conseil d'Administration pour l'exercice clos au 31 Octobre 1987;
 Recevoir et adopter le rapport du commissaire pour l'exercice clos au 31 octobre 1987;

Recevoir et approuver les comptes annuels arrêtés au 31 octobre 1987; 4. Affection du bénéfice de la société;

Donner quitus aux administrateurs et au commissaire pour l'ac-

complissement de leur mandat jusqu'au 31 octobre 1987;
Renouveler le mandat des administrateurs et du commissure pour un terme d'un an devant expirer à la prochaine assemblée générale ordinaire des actionnaires;

Les actionnaires nominatifs inscrits au registre des actionnaires à la date de l'assemblée seront autorisés à voter ou à donner procuration en vue du vote.

Les procurations doivent parvenir ao siège social au moins 24 heures

La présente convocation et une formule de procuration ont été envoyées à tous les actionnaires inscrits au 18 décembre 1987. Des formules de procuration sont disponibles sur demande an siège

Pour avoir le droit d'assister ou de se faire représenter à cette assemblée, les propriétaires d'actions au porteur doivent avoir déposé leurs titres einq jours francs avant l'assemblée soit ao niège social de la société, soit aux guichets d'un établissement banquaire social de la société, soit aux guichets d'un établissement banquaire social de la société, soit aux guichets d'un établissement banquaire. Pour le conseil d'administration, J.P. MOREAU Secrétaire général



#### EXTRACTS FROM MR. PATRICK POLLET'S LETTER TO SHAREHOLDERS

Redoute Group gross revenue rose by 3.9% to F.Fr. 5.45 billion for the first half of the 1987/1988 trading period (March 1 to Angust 31, 1987), showing a net profit of F.Fr. 36.4 million, against F.Fr. 33.1 million (op 10.1%) for comparable structures. Commodities Division

The Redoute Catalogue operation (Redoute Catalogue, S.N.E.R., Redoute Catalogue Benelux, Movitex and Cyrillus) registered gross sales of F.Fr. 4.286 million for this period (+9.6%) and a net profit of F.Fr. 40.2 million (+8.8%). Sales at November 30, 1987 (9 months trading) reached F.Fr. 7.196 million, being an increase of 9.3% on the same period for

the previous year.

The Vestro-S.LA.D. operation achieved half-year sales of 232 billion Italian L (+16%), representing a pet profit of L 774 million (+29.4%).

At November 30, 1987 (9 months trading) sales had risen to L. 380 Other activities - In view of measures to be taken before the end of the year in connection with the company Editions Rombaldi, we have made provision, at Gronp level, for losses and charges of

almost F.Fr. 10 million. Services Division

Finarcí — First semester results showed a sharp rise io net profit at F.Fr. 15.6 million — op by 51.4%. At the end of November (11 trading months) financing grantes had reached F.Fr. 3.3 billion (+34%).

Le chêne insurance and Redoute insurance brokerage business ha continued to develop, with total premiums of F.Fr. 25 million (u 35%) for the first six months of the trading year.

The current economic climate, in the wake of the various recer stock market and monetary spects, counsels a certain prudence We have observed in the past that our distribution business he traditionally developed at a faster rate than other operations, eve during periods of slack demand. We are therefore still hopeft that the consolidated turnover for the current trading year will I up by about 8% (+9.1% after 9 months of trading).

in the 1920s. Emile-Maurice also opened the lirst branch stores in French resort towns, further linking the Hermes name with luxury and leisure. The retail outlet on rue Faubourg St. Honoré opened in 1922.

Surrounded by this lore, Mr. Du-mas-Hermès said in his lightly ac-cented English, he got his Hermès education unconsciously: "We would all gather account the lunch would all gather around the lunch table every day and my father would talk about 'that-beautifulsilk-scarf-please-don't-eat-withyour-hands.' That sort of thing."

As a young man in Paris, his ambition was to travel; his avocation was jazz. So in the 1950s, after studying political science and law, he began a hrief career as a drummer, a job that took him to Scandioavia and Czechoslovakia. "I was a brilliant impresario," he joked, improvising on imaginary drums as he spoke. "We each got 50 francs a

night."
He later traveled through Iran and was a contributing editor to the Pakistan Times. In 1961, he took his compulsory officer training in Algeria. All the while, he gently resisted the pull of Hermès. "I had nothing against it" he said. "I had had another life."

In the early 1960s, when his father, Robert Dumas, then company

president, told him it was time to come home to Hermès, he agreed. But first he spent a year in New York, in the Bloomingdale's buyer training program. (His wife, Rena Dumas, whom he married in 1962, got a job in a New York architec-

It was at Bloomingdale's, Mr. Dumas-Hermès says, that be "discovered the importance of being a merchant." At home, at Hermès, he said, "we were proud to sell, but far more proud to produce."

When he finally arrived at Hermes in 1964, he says, his first lesson was in humility. His father sent him to the Drouot antiques auctions to choose prints for scarf designs, but ant one of his selections was ever used by the designers at Hermès.

He was more successful as head of manufacturing, and by 1971 was managing director. Seven years later, the family voted him chairman. His ascendancy surprised him, he says. He is, after all, the fourth, not the first, child in his family. He never assumed things would automatically go his way at the house of Hermes, where the family was not obliged to be part of the company. His own son and daughter, he adds, have no plans to join Hermes. "Look, we're not the Fendi sisters," he said, referring to the Italian family that has built a leather and fur

As the new chairman at a time when husiness was slow, Mr. Du-mas-Hermes began to tinker with structure. He set up a holding company and developed divisions for fragrances, watches and manufac-

More recently, he reclaimed U.S. distribution rights for the fragrances from Beecham Products, and signed an agreement with the



Jean-Louis Dumas-Hermès with a giant version of the company's signature handbag.

managing director; two cousins, Patrick Guerrand and Bertrand Puesch, are vice chairmen; his wife

But while Mr. Dumas-Hermès appreciates this family legacy, his aim is to run an effective organiza-

Hermes outlet. The marketing seems to work, U.S. sales doubled from 1985 to 1986 and now account for 12 percent of Hermes's

Such company restructuring

'I'm afraid we may have been a bit brutal in our assessment when they asked for an opinion. We told them straight that we all knew Hermès, but that it wasn't for anybody who was considered a trend-setter.'

> - Françoise Aron, of Hermès's ad agency, Eldorado

tion. "The family brings a certain helped Hermes grow worldwide, spirit to the business, but it doesn't analysts say. But Mr. Dumas-Hermean they are entitled to do some- mes's image-polishing helped even thing," he said. "We try to get the best we can for the job."

in the earty 1980s to bead ican operations.

Under Mr. Fisher, Hermes's who was considered a trend-set-American operations started a di- ter." Italian manufacturer Benetton to produce its perfumes.

He also looked for outside talent.

Several family members still hold

The internal toperations stated a tale terms and techning program that includes mail order, toll-free telephone numbers and "how-to" scarl appeared in French fashion magasid. "I am excited by a future based on the past."

He began looking for an updated For Mr. Dumas-Hermes, that image soon after he became chairhas meant hiring people outside the family, among them Gilles du Val, the marketing director, and local managers to direct foreign markets. In the United States, the local they asked for an opinion," said managers to direct foreign markets. In the United States, the local they asked for an opinion, said managers to direct foreign markets. talent is Chrysler Fisher, who was friend and former schoolmate of hired away from Neiman-Marcus Mr. Dumas-Hermes. "We told them strai ent that we all knew Hermes, but that it wasn't for anybody

upper-level positions at Hermès: A mail-order sales. it also hrings Rider denim jacket and Hermès sister-in-law, Michele Dumas, is craftsmanship demonstrations to gold earnings. The aviator sunglass-managing director; two cousins, smaller American cities with no es in her pocket reflected a Parisian mansard skyline. Hermes had been jerked up to date.

The agency, which also handles advertising for Benetton, followed up with ads featuring such compaoy classics as the Kelly handbag dooe in bright green or red ostrich skin. (The original Kelly, a callskin bag named for the late Princess Grace of Monaco, is still popular at

And last spring, it launched a cootroversial campaign for the company's Bel Ami fragrance. British women's magazines were scandalized by the ads, which feature a Gustav Klimt sketch of a reclining nude, and British shops were reluc-tant to use the counter displays.

Mr. Dumas-Hermes has other goals for his company, including the doubling of sales in its apparel husiness. He also wants to exert more control over production and distribution by assuming ownership of certain plants the company

Despite its rich history, Mr. Du-mas-Hermes likes to talk about his company's place in the modern installed in the printing plant, that the carbon fiber in his new Hermes

# **US. Futures**

Via The Associated Press

機器 Prev. Day Open Int. 23.37

PORK BELLIES (CME)

40.00 ibs.-certis per ib.

40.00 ibs.-certis per ib.

40.00 49.46 Mar

67.40 51.80 May

74.50 51.00 Jul

42.00 50.10 Are

Est, Soles 3.072 Arev. Sole

Prev. Day Open Int. 12.532

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7.02

1.50 0.56 0.36 0.71 0.13

100 57 425

Paris Commodities

1.55

0.TC

0.70

**Currency Options** 

world. He mentions that robots are rior of France's Ariane rocket, that the new leather workrooms will be near La Villette, Paris's center for

# 730.0 731.0 730.0 749.5 749.5 749.5 45.00 47.30 483.00 483.00 -1.00 47.50 47.30 483.00 483.00 -1.00 47.50 47.30 483.00 483.00 -1.00 47.50 47.30 483.00 483.00 -1.00 47.50 47.30 57.70 57.20 -1.00 1.40 Financial Commodity Indexes SE SE 97.03 97.12 Jun 92.03 12 150 A Moody's: base 100: Dec. 31, 1931. p-preliminary: f-final Reuters: base 100: Sep. 18, 1931, Dow Jones: base 100: Dec. 31, 1974. **Market Guide** E3 83-8

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S&P 100 Index Options

London Commodities

**London Metals** 

Dec. 23

**Dividends** Spot Dec. 23

ource: UPI

**DM Futures Options** 

Colls: Tues vol: 730; open int. 27,134 Pots: Tues vol: 1.157, open int. 67,234

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Sony Wins Approval Of CBS Records Buyout

and will take control on Jan. 3, Sony said Wednesday.

About one-third of the \$2 billion cost will come from Sony's own funds, while the rest will be borrowed from domestic and foreign value of \$8 for each Argonizations the commany said.

Commodities

MERNAT, CN.

MESSON CE E DE ROTTE

THE WITERBATION AL FUNC

ALE BES BENDUES P

F 63

Toyota Forecasts 1% Rise in Output Agence France-Presse

NAGOYA, Japan — Toyota Motor Corp. said Wednesday if that had set its 1988 production target at 3.66 million units, up 1 percent from 1987. Japan's biggest car manufacturer said that its domestic sales target was 2 percent higher, at 1.91 mil-

lion units, and its export target was I percent lower, at 1.75 million The company projected overseas production at 340,000 in 1988, up 3

Gibbons, Green Cancels

percent from a year earlier:

Buyout of Argonaut New York Times Service

LOS ANGELES - Gibbons TOKYO — Sony Corp. has received approval from the Japanese and U.S. governments for its take-over of the CBS Records Group and will take control on Jan. 5, Sany said Wednesday. Green, van Amerongen Ltd. says has called off its \$620 million

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# Braniff Drops Plan to Buy Pan Am

Compiled by Our Staff From Dispatches

tional filed for protection from Under the agreement, Pao
NEW YORK — Pan Am Corp.

tional filed for protection from Under the agreement, Pao
American World Airways would said Wednesday that Braniff Inc., the Dallas-based airlice, has with Pan Am and its labor unions, before merging with Braniff. dropped a proposal to acquire its it has become clear to us that the

A Pan Am spokeswoman said letter are not feasible," said Peter the two companies terminated the Conoolly, a Braniff spokesman. "Accordingly, the Dec. 7 letter has letter are not feasible," said Peter holders would have received 45 percent. iff, cootrolled by Jay A. Pritzker, been terminated." the Chicago industrialist, would bave merged into Pan American

World Airways. She said that both parties had agreed to the action, but she de-

agree on the concessions that Pan would acquire Robins with com-Am had demanded as part of the mon stock valued at \$550 million. merger. The agreement in principle had been reached on the condition which made a hid for Robins io that all five Pan Am unions agree to February that was later dropped, concessions totaling \$200 million a would also provide cash over up to

year for four years. Some of the unions were divided over whether they wanted Mr. by the company's Dalkon Shield Pritzker to gain control of Pan Am. Braniff came into being in 1984 after the former Braniff Interna-

that it had agreed to acquire the

property and development company Chase Property Holdiogs PLC for about £198.4 million (\$364 mil-

The company is offering 265

pence cash for every Chase ordi-

nary share, or as an alternative,

four oew Trafalgar ordinary shares

for every five Chase ordinary

shares. It said that Chase Corp. of

New Zealand, a major shareholder

Trafalgar Sets Acquisition

LONDON — Trafalgar House
PLC, the British property and industrial concern, said Wednesday
shareholders

Pan American World Airways Inc. transactions contemplated between Pan Am and Braniff in the Dec. 7

Pan Am shareholders would have owned 55 percent of the

# A.H. Robins Gets Third Offer

American Home Products, seven years to pay \$2.48 hillioo in

cent of the British company's is-

nrdinary share capital.

some development sites.

Last week, Sanofi, one of clined to give reasons for it. Tuesday had been the self-imposed deadline for a final agreement.

On Tuesday Braniff said it had failed to get Pan Am unions to severe on the generations for the products Corp.

RICHMOND, Virginia — A.H. France's largest pharmaceutical companies, offered to buy more than half of Robins and to provide American Home Products Corp. an unspecified amount toward the under which American Homes Dalkon Shield claims. After receiving the Sanofi offer,

> discussions with Rorer Group Inc., with which it had already agreed to merge for a total \$2.6 billion. The oew offer "is more advantageous to stockholders than the other proposals which you are considering," John Stafford, chairman of

American Home Products, said in a

Robins said it was also continuing

# Takes Pay Cut Of \$2 Million

NEW YORK - Io a sign of the declice in the securities in-

that he would take no bonus for 1987, a year in which Salomon's earnings slumped. He said that Salomon's compensation committee had made the decision at

As a result, Mr. Gutfreund,

Mr. Gutfreund will get 300,000 Salomon stock options exercis-able at \$18.125, which was Salo-

# New York Times Service

Salomon's Chief

dustry this year, John H. Gut-freund, the chairman and chief executive of Salomon Inc., the huge Wall Street firm, is taking a \$2 million pay cut in 1987. Mr. Gutfreund said Tuesday

his suggestion.

who received \$3.2 million in 1986, will get just his regular salary of \$300,000 in 1987. In addition, be will receive \$800,000 in compensation deferred from 1984, part of a stan-dard company policy. In lieu of a bonus, however,

mon's closing price on Tuesday.

would be about 23.9 million, or around 4.7 percent of the enlarged nrdinary share capital. Trafalgar House said it will gain

> To have ruled otherwise, the panel said, would deprive Britoil shareholders "of the opportunity to consider the BP offer on its mer-

It was the first case in which the

# BRITOIL: U.K. Panel Allows Bid

Chase Property's high-quality property portfolio, mainly com-prising offices and shops in Loo-

(Continued from first finance page) issue of the government's golden Trafalgar House said that if all concerns to establish their indepenencourage future hids for compashareholders accept the offer, the dence in the market place.

Panel rules require a hidder to nies where golden shares apply. In most of those companies, however, the golden share is not indefinite, as in the BP case, but is restricted to a set number of years.

be impossible to view of the government's golden share. Nonetheless, the panel decided that BP's 450 pence-a-share tender offer was

don and southeast England, and Last month, Chase Property dein Chase Property, has agreed to clared that its unaudited pretax accept the cash offer for shares, profit in the six months to Sept. 30

including those held through its rose 60 percent to £9.5 million from subsidiaries, representing 60.1 per- £5.94 million a year earlier, panel was forced to confront the

#### **Goodrich Tires of Its Traditional Business** came to be identified with the tire Charles Ames, a partner io the in-New York Trajes Service busioess, despite being eclipsed in NEW YORK — B.F. Goodrich size by Goodyear Tire & Ruhber chairman and chief executive of By Jonathan P. Hicks

Goodrich said Tuesday that it had agreed to sell its 50 perceot interest in Uniroyal Goodrich Tire cars, a field it dominated for years. Co.. the second-largest U.S. tre maker, for about \$225 million to an iovestment group formed by Clay-ton & Duhilier Inc.

Clayton & Dubilier, a New York investment firm, already controlled 50 percent of the tire maker and will now own the entire company.

Goodrich was formed in 1870 by Benjamin Franklio Goodrich, a physician-turned-industrialist. It initially produced fire hoses and hilliard tables.

But over the years, the company

Co., one of the most venerable Co., whose similar name was the names in tires, is getting out of the focus of one Goodrich advertising campaign. Goodrich was a pioneer in the mid-1970s in producing high-performance tires for sports

Uniroyal Goodrich was a joint venture formed in 1986 by Goodrich and Uniroyal Inc., which had been takeo private in 1985 in a leveraged buyout beaded by Clay-

ton & Dubilier. Goodrich will remain the largest North American producer of vioyl resios and compounds, a major producer of specialty chemicals and a maker of aerospace, military and industrial products.

Clayton & Dubilier said that B.

former chairman and chief executive of Acme-Cleveland Corp. and a former president and chief executive at Reliance Electric Co.

Patrick C. Ross, former chairman and chief executive of Uniroyal Goodrich, will serve as a coosultant, Clayton & Dubilier said.

Officials of both Goodrich and Clayton & Dubilier complained that the joint venture had not worked well and that key decisions had been difficult to reach.

Goodrich is to receive warrants that can be exercised within seven years that will enable the company to huy back a 7 percent interest in the tire company.

lioo io stock and £28 million in convertible loan ootes over the next three years.

Gold Fields Buys

LONDON — Consolidated Gold Fields PLC has agreed to

pay £42 million (\$76.8 million) for half of Kleinwort Bensoo

Lonsdale PLC's subsidiary,

Kleinwort Benson Energy Ltd., and its holding could rise to 75

percent within three years,

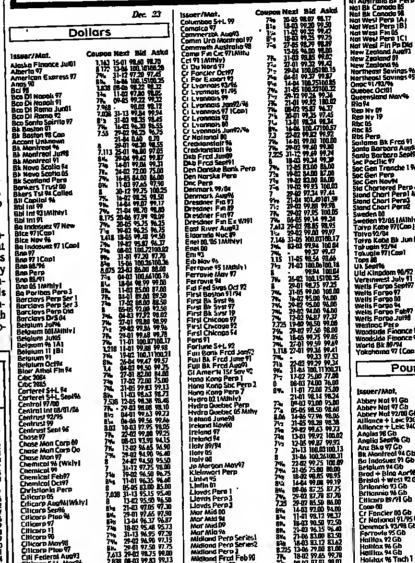
Gold Fields will buy £14 mil-

Kleinwort said.

Stake in KBE

That will match Kleinwort's stake to KBE of £14 million to stock and £28 million in convertible redeemable loan notes.

# Floating-Rate Notes



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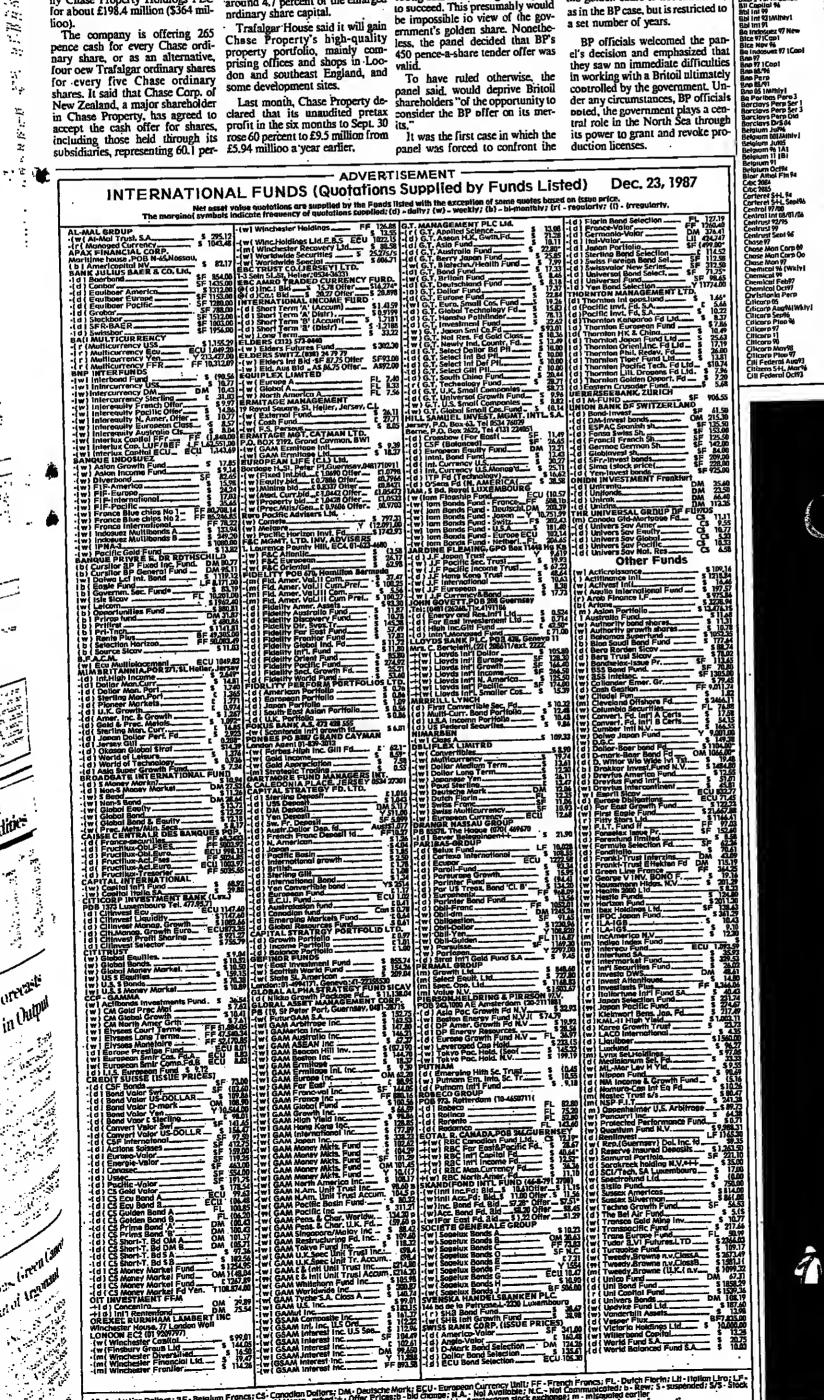
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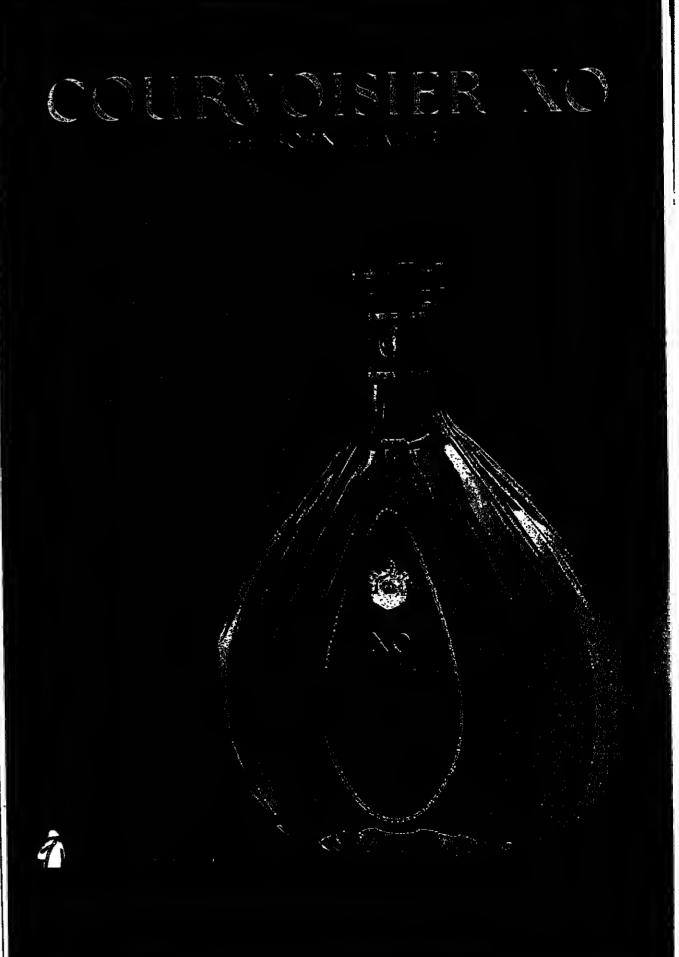
E.C.U. 7%, 12-02 100.10700.30 1.843 18-01 99.99 100.18 7%, 15-01 99.99 100.10 7.654 29-01 99.55 99.55 7%, 28-04 98.59 99.55 7%, 28-04 98.59 99.55 7%, 28-04 98.59 99.53

Source : Credit Suisse-First Baston Lid., London

#### **WORLD MARKETS** IN REVIEW

IN THE IHT EVERY MONDAY. A WEEKLY REVIEW OF WORLD STOCK MARKETS. ESSENTIAL READING FOR INVESTORS AND PROFESSIONALS -WORLDWIDE





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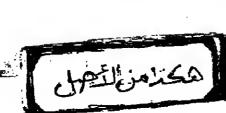
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# CURRENCY MARKETS

# Dollar Firms After G-7 Statement

Compiled by Our Stuff From Disputches NEW YORK — The dollar closed higher Wednesday in New York and Europe, supported by a statement from the Group of Seven major industrial countries that a further fall in the U.S. currency would damage the international economy.

Also helping the currency was a remark by Britain's chancellor of the Exchequer, Nigel Lawson, that the dollar was undervalued.

In New York, the dollar rose to 1.6335 Deutsche marks, from 1.6280 on Tuesday; to 126.55 yen, after 126.40; to 1.3285 Swiss francs press the dollar in the absence of

"Of course, the G-7 officials do not want currency instability," said Joachim Zimmermann, chief dealer at Berliner Bank. "But they still the new year," Mr. Zimmermann said. have to take action to bring about said.

Some currency dealers had apped the G-7 nations — the United States, Japan, West Germany, Canada Tealer Britain and Canada Other dealers said. hoped the G-7 nations - the United States, Japan, West Germany, France, Italy, Britain and Canada - would act more firmly to huoy financial markets after the October stock market collapse and the dol-

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or a rise in the dollar to an extent ate over the next year," adding that that becomes destabilizing to the adjustment process, could be counterproductive by damaging growth prospects in the world economy." he said could absorb a further dethe group said in its statement. In an annex to the statement, be competitive.

**London Dollar Rates** Closing 1.8365 1.8343 126.88 1.2309 5.5312

finance ministers pledged only to steer steady courses in economic policy, and gave no details.

Dealers have said that the U.S. from 1.3215 and to 5.5275 French concrete measures to redress international trade imbalances and de-The British pound also slipped, spite such official statements of to \$1.8265 from \$1.8335.

Robert Hatcher, a trader with Barclays Bank in New York, said there was a "very strong seeling lar's plunge to postwar lows last that the dollar cannot go up."

Mr. Hatcher predicted the dollar "A further decline of the dollar, would "slowly continue to depreci-Japan's manufacturing industries, cline of the U.S. currency and still

After the brief morning rally in Europe, "the afternoon dragged on with fairly thin trading mostly confined to interbank activity," one dealer said.

Some currency analysts said that the lack of trading before the yearend holidays exaggerated the dol-

lar's strength. In London, the dollar traded at an early high of 1.6445 Deutsche marks, before slipping to close at 1.6355 DM, still above Tuesday's finish of 1.6285 DM.

The dollar also rose to 126.88 yen, after closing Tuesday at 126.50; to 1.3309 Swiss francs, from 1.3235 and to 5.5312 French

francs after 5.5059. The pound fell slightly, to \$1.8243 from \$1.8300.

Worse-than-expected British trade figures pushed sterling lower on its trade-weighted index. It opened at 75.5 percent of its 1975 value against a basket of currencies, but closed at 75.4, below Tuesday's finish at 75.6.

Britain's deficit on the current account, the widest trade measure. widened to £595 million in November from £282 million the previous month. The cumulative gap for this year's current account grew to £2.1

In earlier European trading, the dollar was fixed higher at 1.6375 DM in Frankfurt after 1.6305 on Tuesday, and in Paris at 5.5385 French francs from 5.5155.

In Zurich, the dollar closed higher at 1.3318 Swiss francs from (AFP, Reuters)

12 Menth High Low Stock

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# OECD Warning on Limits of Intervention

G-7: Markets Skeptical on Currency Stabilization Accord

Elsewhere, too, there are obsta-

Div. Yld. 1905 High

International Herald Tribune

PARIS - With no further U.S. budget cuts likely before next November's presidential election and with West Germany resisting calls to stimulate its economy, any market challenge to the Group of Seven's renewed commitment to stabilize exchange rates would have to be countered by market intervention and interest-rate manipulation.

In its semiannual economic outlook published Tuesday, however, the Organization for Economic Cooperation and Development warned that there is only fimited scope for such intervention to work. "Intervention, by itself and in the absence of

accompanying changes in domestic monetary conditions, can, on the evidence, affect exchange rates only for a limited period of time, and only to the extent of slowing down underlying trends," the OECD said.

"There are limits, furthermore, to the scale of intervention that would be acceptable: Beyond some point, it might entail an excessive exposure to

(Continued from Page 1)

cign central banks can go in accu-

mulating dollars before the injec-

tion of so much liquidity begins to

fuel domestic inflation.

And doubts still persist about

enough to lead to a lasting im-

Organization of Economic Cooper-

is seen as ruling out any additional

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rovement in the U.S. deficit. The

exchange-rate risks for central banks of surplus countries, and raise fears that eventually these countries would no longer be able to offest the impact of intervention on domestic liquidity with the risk that expectations of higher inflation would be rekindled," it said.

The organization noted that, "The scope for surplus countries to lower interest rates as a means of promoting stable exchange rates in the face of downward pressure on the dollar could likewise be limited: A new acceleration of monetary growth could lead to a return of the tensions that preceded the crisis in stock markets, with a revival of inflationary fears and a general increase in long-term "In surn," it concluded, "there is a risk" that

"monetary policy could be overhurdened and be faced with a dilemma if," in addition to its domestic responsibilities, it were assigned to "promoting exchange-rate stability without there being adequate fiscal and structural policies in place.

ups and downs of the dollar, say

that a move up to 1.645 Deutsche

reduction of the budget deficit that chart patterns made by the daily would further slow import demand. ups and downs of the dollar, say

# Hong Kong Market Assailed

on Wednesday, complaining that it were necessary." did not consult the government on math of the October stock market that's happened. Mr. Jacobs said.

"I don't consider one single phone call," from the then-head of the exchange, Ronald Li, "as consultation," Mr. Jacobs said at a press conference, "I didn't like the idea of closure at any time. I was also concerned about the length of

collapse.

Mr. Li retired on Dec. 16. Mr. Jecobs also assailed a recent

statement in a published interview HONG KONG — Hong Kong's by the exchange's current chan-financial secretary, Piers Jacobs, man, Charles Sin, that the stock' criticized the local stock exchange market here would close again "if it

"I was surprised to read that its four-day closure in the after- statement in the light of everything

> "Markets are supposed to stay The October closure to international criticism of the colony's

stock market.

The Hang Seng index dived 1,120 points on Oct. 26 when trading resumed after the suspension, following a 4 hillion Hong Kong dollar (\$512.8 million) rescue package arranged by the government for the local futures market.

#### FORECAST: U.S. Growth Figure (Continued from first finance page) inflation as measured by the Con-

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revision for 1988 "is in line with many private forecasts" and "recognizes the likely negative impact on growth in 1988 of the recent stock market crash and the increase in interest rates and the tightening of monetary policy during 1987.

Dealers insist that only facts — "Consumer spending is expected an grow rather slowly as households" react in the stock market decline and seek to improve savings rate from their recent low levels," he

Blue Chip Economic Indicators, a financial newsletter that surveys The major test for the Group of 51 top economists each month for seven will come then. Chartists say their forecasts, says the consensus the next drop would take the dollar is that the economy will expand at a ministration's own earlier projection.

sumer Price Index rising 4.3. Lawrence Chimerine, chairman of the Wefa Group, a private fore-

casting service based in the Philadelphia area, said the administration forecast "is a little on the high side, but it is certainly within the range of reasonableness."
Mr. Chimerine noted that

growth rates between 2 percent and 3 percent - while once considered anemic -- are becoming more and more the norm.

Mr. Sprinkel declared that the overall U.S. economy remained sound, despite the current turmoil in financial markets. And he noted 2 percent annual rate in 1988, with uion of 3.2 percent growth in 1987.

NASDAQ prices as of 4 p.m. New York time. This list, compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value.

It is undafted twice a year.

Via The Associated Press Div. Yld. 180s High Low 4 P.M. Chros

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cles to immediate further change in basic policies. West Germany continues to insist that no further meawhether policy changes and the sures are needed to boost its econo-dollar's slide since mid-October are my and thus help lift import demand at home as well as If the favorable numbers are throughout Europe. Taiwan, South Korea, Hong Kong and Singapore forthcoming, dealers say the dollar would recover to 1.7 DM, at which ation and Development said Tuesday that present policies will result in a \$55 billion narrowing of the deficit by the end of 1989, at which point chart watchers would again in a \$55 billion narrowing of the deficit by the end of 1989, at which point the deficit will stop shrinking.

The He is the possibility of a deficit will stop shrinking. begin dumping the currency. The U.S. presidential campaign dollar rebound early in January. Technical traders, who watch the 10 1.5 DM.

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n — new issue in the past 52 weeks. The high-low range begins with the start of trading.
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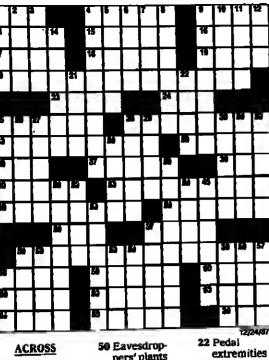
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37 King's march site: 1965 39 Keresan Indian 40 Off-the-cuff words 43 State of

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E CONOMICS is still the dismal science for most educated Americans. It remains so

despite the guys-and-dolls jargon of the risk-money side of the profession: greenmail, white

knights, Ivan the Terrible, poison pills, golden

It remains so despite TV octwork simplifiers

who use Barbie dolls, Monopoly paper money,

piggy banks, scales and other props to try to

explain the dismal world - the falling dollar,

trade deficits, inflation, deflation, Third World

Given this track record, it is extraordinary

that William Greider has been able to make the

United States's central bank, the Federal Re-

serve, and the long historic battle of American populism versus Wall Street come dramatically

Io case you've forgotten, Greider is the for-mer Washingtoo Post assistant managing edi-tor who plied David Stockman with breakfast

coffee that acted like truth serum. Out of their

long cooversations came an Atlantic article

and a book that rocked the economic compo-

Greider has since switched to writing for

Rolling Stone magazine. But this book belongs in the same category as two exposes by his

former Washington Post colleague Bob Wood-ward. Where Woodward took American read-

ers breathlessly inside those other temples of

secrecy, the Supreme Court and the CIA,

Greider penetrates a temple he would argue was even more subtly beyond the control of

Americans certainly deserve to know how all

of the machinery of their government really works. Greider has done a superb job of clari-

Solution to Previous Puzzle

sure of the Reagan administration.







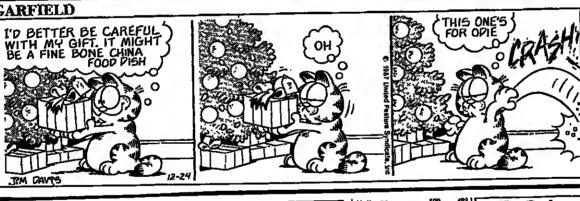












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fying the basic economic equations of mones for Hockes
tary and fiscal policy.
His behind-closed-doors narranian
tarts with Jimmy Camors narranian ment of Paul Volcker, the Calvinist Catholic keeper of the nation's financial conscience The narrative runs through the Vokcker-Rea gan era, with its great bull market, conservative

rhetoric and massive deficits. netonic and massive deficies.
In the foreground we see Volcker cutting a swath through staeflation, turning one steering wheel of the dual-control federal vehicle to ward money-supply austerity and causing deep recession, while supply-siders wrench the other steering wheel, the budget, toward a national binge and huge deficits and indebtedness. What Greider particularly wants us to see in this foreground is a redistribution of America income. Where the New Deal redistributed income to blue-collar and no-collar Americans, in Greider's analysis the Reagan en diverted it back toward white-collar and black.

tie America.

Behind the Volcker drama — in the pear background — we catch glimpses of a parage stretching through American history From Alexander Hamilton to Andrew Jackson and early banker-bashing populists; through the Gili Age and its Robber Barons; then to the advent of the income tax; to Woodrow Wilson and the founding of the Federal Reserve; on to the Roaring '20s moves to counter the progressivity of the income tax. Then the Depression and the conversion of conservative Morinon hanks Morinon Federal to Katagasian account banker Marriner Eccles to Keynesian govern ment pump priming, to Nixon's initial surprise at finding that he couldn't control his first Ped chairman; and finally back to the crucial change in Fed targets and tactics under Volcker.

Beyond both of these running narratives Beyond both of these running narrative.

Greider introduces his broadest theme. This is his attempt to contrast the openness and equality inherent in democracy with the sanctum sanctorum secrecy and oligarchic nature of the Fed. He makes a vigorous case that the latter can be manipulated to favor the already rich few seging the laboring many. few against the laboring many.

There is oo point in fooling ourselves by

denying that the Fed's belt-tightening hits the American people unevenly. But there's no point in naïvely agreeing to Greider's myths either, however earnestly he may offer them. For instance, he argues that the inflation of the late 1970s was an admirable means for redistributing wealth from older Americans in younger Americans. Undoubtedly it was Forstime. But ultimately the piper mass be paid.

Near his conclusion, Greider parts decisively from any semblance of dispassion. He salues Volcker's "stern brilliance" but criticizes the Fed chief's victory over inflation and the recovery that follows as a "hollow" triumph that did not keep "its recovery that follows as a "hollow" triumph that

covery that follows as a "hollow" triumph that did not keep "its moral progress to the life. did not keep "its moral promises to its vic-

Earl W. Foell, editor in chief and columnist of the Christian Science Monitor, wrote this review già de la companya de for the Los Angeles Times.

### **BRIDGE**

By Alan Truscott

rare event in clubs but a A common one in domestic bridge is the "set game": two against two for a complete evening. This is the normal choice this ending: when one or two married couples are involved, since there is no profit in winning a few dollars from one's spouse.

The diagramed deal from a set game was reported recently by Richard Frey of Manhattan. He is one of the two survivors of the original group of 10 life masters created when that rank was introduced 51 years ago. By a strange coincidence, the other survivor is his homo-

phonic namesake, Sam Fry Jr. Frey was East and his wife, Mabel, was West. North and South were Dr. Beatrice Lane, a psychiatrist, and Dr. Robert

South's decision to use Blackwood was reasonable once North had shown considerable values by bidding three diamonds. The danger of losing two quick club tricks was

slight, and even slighter when

North showed two aces. West led the heart king and continued with a low heart. South ruffed East's ace and led six rounds of trumps to reach



Oo the last spade West threw a club and North the heart jack. East was in trouble. and gave up a club. Now South led to the club ace and claimed

East's discard would have been right if his partner had held the club queen. But as it was, a diamond discard would

Dec. 23

have left South with something to think about.

A chub shift at the second trick would not necessarily have helped the defense for South could have taken the see \_\_\_\_\_ and run spades, again squezing East. To be sure of beating slam. West would have had to bit on a club lead originally.

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### **SPORTS**

# Soviet Hockey Team May Be on Thin Ice

By Philip Taubman

MOSCOW -- Muscovites who came to Luzhniki Arena in recent days expecting to savor the power and perfection of the Soviet hockey team returned home wondering if they had instead witnessed the demise of a dynasty.

After losing to Canada, tying Finland and defeating West Germany and Czechoslovakia, the Soviet squad salvaged a silver medal in the Izvestia tournament by defeating Sweden Tuesday, 4-1. Canada had secured the gold medal earlier in the day by overpowering Finland by the same margin.

The silver medal offered little solace for a once powerful team that is clearly struggling to regain its old form in the dwindling days before the Olympic Games open in Calgary in February

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After more than two decades of dominating world amateur hockey — including first-place finishes in 1g of the last 23 world championships and 6 of the last 8 Olympic Games - the Soviet national team seems mortal.

Earlier this year it placed second in the world championships in Vienna and dropped two of three games in the Canada Cup to an all-star Canadian team that included some of the best players in the National Hockey

. League.
"We have discovered some shortcomings," Viktor V. Tikhonov, the Soviet coach, said at a news conference Saturday.

Ken Dryden, the former Montreal Canadien goaltender, watched the Soviet team over the weekend and concluded. They're still the favorites for the Olympics, but they're more vulnerable than they have been for some time."

Vyacheslav I. Koloskov, who took over direction of the Soviet hockey program in August, said Tuesday that the program, and the national team, have problems.

There is a need for perestroika in hockey," he said. Perestroika, or restructuring is the word used by Mikhail S. Gorbachev, the Soviet leader, for his efforts to reorganize the economy and galvanize society.

The team's problems were abundantly evident during the tournament.

Where the Soviet team once dominated play with a combination of conditioning, speed and finesse, backed up by superb goaltending, the current squad seemed only marginally better than its rivals.

Its stickhandling and passing were often careless, leading to several breakaway goals by opponents; the goaltending was porous and the team and its coach sometimes seemed unable to adjust to the swarming defenses

other teams used to slow the pace of play. Vladislav Tretiak, the goalie who anchored the Soviet team for years, retired in 1984 and an equivalent replacement has not been found. There was also a clear absence of depth, with the best Soviet line - right wing Sergei Makarov, center Igor Larionov and left wing Vladimir Krutov — seeing more ice time than

other players. Late in the third period against Canada, with the Soviets trailing, 3-2, defenseman Vyacheslav Fetisov, considered one of the world's premier players, looked exhausted. At a crucial moment, with the Soviet players on the attack in the Canadian zone, he misk: It supped over the blue line, forcing his teammates to regroup.

"The rest of the world is catching up with past defenders or pulling back into a text-them in conditioning, speed, and skating book passing offense in which the effort to be said. "And it will in the Olympics."

making the necessary adjustments."

Accustomed to the nearly flawless performances of previous squads, Soviet fans showed little patience for the shoppy play against Canada Saturday. The shrillness and volume of derisive whistling increased as the game progressed, culminating in an ear-shat-tering whine as the Russians departed the ice at the end of the game,

But aside from the weakness in goal, which he ackowledged was a serious, long-term problem, Tikhooov suggested another month of training would produce the kind of bookey machine Moscow has consistently displayed



The Associated fress Coach Viktor V. Tikhonov: "We have discovered some shortcomings."

since it entered international competition in

The view among hockey specialists, including a number of opposition coaches and soviet experts, is oot as sanguine.

Although the line of Makarov, Larionov

and Krutov is considered the equal of any. including the best in the NHL, the team lacks a second or third unit with equivalent scoring

Ten years ago we could throw two or three powerful lines on the ice, so the offensive pressure never stopped," said one Soviet hockey writer.

The lack of flexibility Dryden noted is another factor that seems unlikely to change overnight, unless Tikhonov is replaced, Koloskov, his boss, detried any change is imminent, saying, "I am satisfied with the coaching."

The rigidity of Tikhonov's offensive philosophy was exploited by the Canadians, who concentrated on clogging open areas of the ice, particularly in the neutral zone between the blue lines, where the Russians usually form their attack.

Playing a basically defensive game, with four players hanging back along their blue line to thwart attacks, the Canadians kept the

Russians off balance. The Soviet players reacted by forcing their game, making mistakes as they tried to break

skills," Dryden said, "but the Russians aren't find an open man went on so long no one took a shot on goal.

Guy Sharron, a Canadian coach, said Tuesday: "The Soviets are highly skilled at skating, passing and sbooting, but to do those things effectively they must have space. If you can limit their open ice, you can be successful." Dryden called the Canadian tactic the

hockey equivalent of the "rope-n-dape" strat-egy that Muhammad Ali successfully used against George Foreman in their 1974 heavy-weight title light. Ali, going into a defensive posture in the early rounds, absorbed Foreman's best punches, leaving his opponent exhausted and vulnerable.

Both tired and disoriented in Saturday's final period, the Russians seemed incapable of doing anything but racing blindly into the Canadian defense.

It is not just game tactics that show signs of

being outmoded.

The Soviet bockey system that Koloskov wants to reform, like the economic structure that Gorbachev is trying to dismantle, was constructed for another era, when the goal was building a competitive team - or indus-

trial society — as rapidly as possible.

The Soviet emphasis on a strict training regimen and tight discipline is proving difficult. to sustain in an era of increased freedoms and openness, particularly among young people. Larionov, the most outspoken member of the team, expressed his doubts in an interview published in a recent issue of Futbol-Khokkey.

a soccer and hockey weekly.

"I am tired of the endless training regimen," he said, complaining that he was forced in live apart from his wife and daughter 11 months a year.

Unlike other national teams including most from Eastern Europe, the Soviet players are restricted during travel ahroad, required to eat all their meals together and watched closely by team and security officials.

Another problem is the domination of hockey within the Soviet Union by the Central Army team, which forms the oucleus for the national team, depriving the best players

of testing competition most of the year.

Coached by Tikhooov, the club has until recently been able to recruit the best players from other teams by inducting them into the

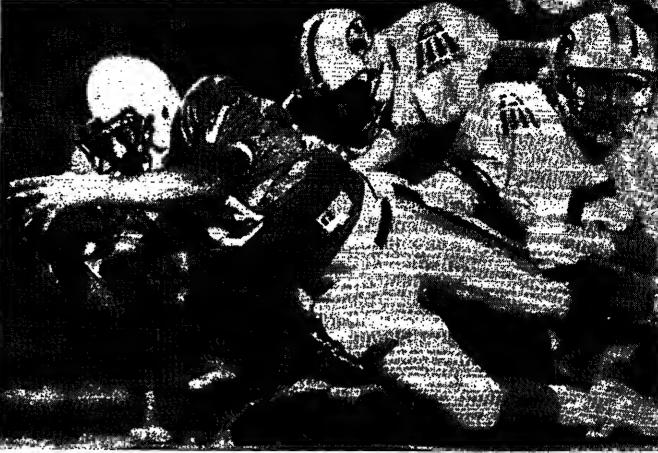
This talent drain has so crippled other teams in the internal 12-team league that the army squad has won 11 consecutive national

champinnships by lopsided margins.
"I lost interest in national cup games five years ago," Larionov said in the published interview.

Fans lost interest too, forcing the sports authorities to move the national tournament from the indoor Olympic Stadium, which seats 45,000, back to the Luzhniki Arena, which bolds about 10,000. Even promotional gimmicks like raffling off a new cur during games failed to draw fans.

Koloskov said this imbalance must be changed, and he has instituted a new rule that gives the sports committee the right to disap-prove the transfer of players to the army team.

"I have a mandate to make changes to improve the system," Koloskov said. "Otherwise I wouldn't have taken this jnb. Perestroiks in bockey is going to take a long time - there's a lot that has to be done. -But not so much that be has lost hope for



Quarterback Scott Secules of Virginia, who was voted the game's most valuable player, diving for a first-period touchdown.

# Virginia, Undefeated in Bowl Games, Downs BYU

BIRMINGHAM, Alahama With only two bowl-game appearances in 99 years of football, the Secules, who was voted the game's one; on the other, Covey threw four University of Virginia is still in its most valuable player, of Virginia's straight incomplete passes.

46. Scott stopped him on a rollout.

The loss was the third straight in

postseason apprenticeship, but has 187 rushing yards, yet to taste defeat.

BYU made it 14-9 io the third "I came in with a bowl win and I'm going out with one," said senior ham Young, 22-16, in Tuesday night's All-American Bowl, There's nothing sweeter," said

Scott, a holdover from 1984, when

Virginia beat Purdue in the Peach Quarterhack Scott Secules passed for 162 yards and Kevin Morgan and Marcus Wilson ran for 82 and 77 yards, respectively, as Virginia finished the year 8-4. The Cavaliers, runners-up in the Atlantic Coast Conference, won despite a 394-yard passing show by Sean Covey of the 9-4 Cougars, second in the Western Athletic Confer-

David Miles caught 10 of Covey's passes for 188 yards, including a 50-yard reception that led to the game's first score, a 20-yard field goal by Leonard Chitty.

But Virginia countered with two touchdowns, on runs of 2 yards by Secules and 25 by Morgan, to take

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a 14-3 halftime lead. "We came in BYU failed on two late possestions. On the first, Virginia stopped with 3:50 left, when Covey failed did a good job on the ground," said Covey for no gaio oo fourth-and- on the fourth-and-one at the BYU

period when Fred Whittingham, the Cougars' leading runner, scored

"They said it would be an air show,

The loss was the third straight in

"As a defensive unit, it was our postseason play for BYU, which last best game this year," said Scott. won in 1984 when it beat Michigan, "They said it would be an air show, defensive end Sean Scott after the on an 8-yard burst. The teams tradbut they only scored 16 points. I'm emerged as the national champion.
Cavaliers beat bowl-seasoned Briged touchdowns in the final period, proud of our defensive effort."

emerged as the national champion.
The Cougars are 4-8 in bowl play.

# Hingsen a Target in Cocaine Probe

The Associated Press

ESSEN, West Germany — Jürgen Hingsen, the silver-medal decathlete at the 1984 Los Angeles Olympics, is under investigation for suspected purchases of cocaine, a prosecutor said Wednesday. Essen prosecutor Hermann-Jürgen Kerl said authorities have opened an investigation against Hingsen and Rolf Milser, an Olympic weightlifting

Kerl said Hingsen and Milser are suspected of huying cocaine nn several occasions from two suspected drug smugglers arrested in Essen in July. They are being investigated as part of a larger probe in connection with the two arrests," Kerl said. "There have been statements that have to be

checked." Hingsen is one of West Germany's most popular and successful athletes.

Wednesday that Hingsen and Milser were named as cocaine buyers by several people who were interrogated by police following the arrest of the two suspected smugglers, an Italian and a West German.

The two, who have not been identified, are suspected of providing cocaine to a large number of prominent people, including doctors and businessmen, Bild said.

Bild said Hingsen and Milser were expected to be questioned by police within the next few days. They

are suspected of belonging to a group which alleged-ly bought cocaine on several occasions in the last two years in an Essen discotheque, Bild said.
Bild said Hingsen declined to comment. "When I heard that police are suspecting me, I hired a

lawyer," the newspaper quoted him as saying. "He has told me not to make any statements."

Bild said Milser left West Germany for Mexico

# SCOREBOARD

#### Basketball

#### National Basketball Association Standings EASTERN CONFERENCE

)5 8 657 — 11 10 524 2 8 15 348 2 7 16 304 8 4 18 ,182 1043 vision 15 5 750 14 7 498 15 9 425 13 9 591 12 11 522 11 12 478 2 3 44 54 Chicago WESTERN CONFRRENCE

12 11 522 11 12 A58 10 12 A55 6 17 261 Son Anionic rision 17 & ,737 16 & ,467 12 )2 ,500

16 \$ A67 12 )2 .500 8 13 .381 8 13 .381 2 18 .143

#### U.S. College Results

Boston Col. 114. Florida Tech 93 Connecticul 99. Cenl. Connecticul St. 77 Penn St. 97, 51. Mory's IMcJ. 40 Providence 96. Xavier (Ohio) 76 Seton Hall 98. Holv Cross 76 St. Peter's 56. Fairleigh Dickinson 55 SOUTH Coastal Carolina 106, Wake Forest 104, OT LSU 93, SW Texas St. 74

LSU 73, SW Texas St. 74.
Louisville 17. E.: Kentucky 69
Alddie Tenn. 91, Morsholl 80
Richmond 73, Georgie Tech 67
S. Mississippi 93, Jockson St. 64
Sietson 78, Northeastern 73 MIDWEST Bradley 93, Evansville 80 Cincinnati 73, Metro St. 42 Droke 78, II-Chicoso 47 Illinois 75, Missouri 43 Michigan St. 82, San Jose St. 48

Onto St. 77, Md.-Boltimore County 48 Purdue 82, Texas Tech 59 SOUTHWEST Baylor 47, Coppin St. 64 "Stephen-F.Austin 55, Oklohoma St. 49 FAR WEST Air Force 74, Portland 75, 20T

Arizona 89, Washinaton St. 55 Arizona 51, 87, Washinaton 78 Col Baptist 75, Hawaii Loa 73 Denver 95, Auroro 44 Gonzoga 77, Idoho 57 Loyala ((IL) 79, Colorada 76 New Mexico St. 91, N. Texas St. 71 U.S. International 88, Delaware St. 74 Utah ED, Nevado-Reno 75 Utch St. 187, Weber St. 93 Wyaming 59, Boise 51. 55

TOURNAMENTS

First Regul. (Binois St. 6), Bosion U. 52 St. Bonoventure 83. Jocksonville 60 HAWAII PRE-HOLIDAY TOURNAMENT TENT Place: Appalachian St. 15, Loyolo 69 HEIOELEERG KIWANIS CLASSIC Championable: Heidelberg & Onio Nrithm 54
Third Place: Wolsh & Hope 78
KAMBRI SHE INE TOURNAMENT

FAMBRI SHE HE TURNAMENT
First Round
N.C.-Greensbore & Denison 5)
MET LIFE CLASSIC
Champlesskip: Texas A&M 72, Valporalso 67
Third Place: Son Francisco 91, Iona 73 

J. Malane 12-17 3-5 27, M. Malane 6-19 10-12 22. Rebounds: Cleveland 51 (Ehlo 10), Washington 58 (M. Malane 15), Assists: Cleveland 22 (Price 7), Washington 29 (F. Johnson 9).

Chicago 22 79 26 23—108
Aguirre 1)-20 7-9 32, Horper 4-12 5-12 22;
Jordon 11-20-7-22, Selbers 5-1-2-11, Pouson 5-16-0 11, Rebounds: Dollos 41 (Donoidhon 18),
Chicago 40 (Ookley 10), Assists: Dollos 31 (Narser, Blockmon 9), Chicago 32 (Pouson 9), New York 23 32 20 30-185 Milwaukee 31 24 38 25-122 Lucus 10-) 5 4-5 25, Brouer 9-14 4-7 24; Ewing

7-12 2-2 16. Cartwright 4-2 8-3 16, P. Cummings 6-13 4-4 12. Green 5-8 3-4 12. Rebounds; New

TUESDAY'S RESULTS

Tocchet 2 (8), Smith (6), Eklund (4), Craven

111). Howe (4): Oprodnick 2 (12), Poddustry 1191, Sandsfrom (7), Shots on soal: Philadel-philo Ion Froesel 11-94-23; New York (as

Courtnell (18), Neely (16), Miller (51, Lines-

Puppel 11-158-34

**NHL Standings** 

York 51 (Contentials 10), Althroukee 49 1Brauer 101, Assists: New York 26 (Jockson 71, Milwaukee 36 (Lucas 11). 27 27 34 30—1U

Beston
Philodolphila
Bird 13-174-431, Johnson 7-155-436; Barkley
15-27 5-13 46, Robinson 19-26-52; Rabounds:
Boston 39 | Parish, Mct-lole 7). Philodelphila 47
| Borkley 11|. Assists: Boston 35 (Johnson 13).
Philodelphila 25 (Cheeks 14).

Philodelphilo 25 (Cheeks 14).

Arteste

13 31 27—123

Floyd 9-14 8-827, Leavell 11-14-3-725; Wilkins

9-23-2-22. Nevers 4-1 8-6 i Rebousds; Alkan
10 42 (Rollins 8), Mouston 43 (Dioliuwon,

McCray 13), Assists: Altento 23 (Rivers 12),

Houslan 31 (McCray 9).

Phocents

25 31 23 25—354

Denver 37 31 29 29—117

Emelish 9-15 8-8 26, Schoves 10-15 4-7 24; Edwards 8-19 7-10 22, Nance 8-16 5-6 21, Rebounds: Phoenia 60 1Echwards 16), Denver 53 (Schayes 18), Assists: Phoenix 29 (Harnacek

McGee 13-16 L.; 30, Thome 5-15-5-17, Tvier 8-101-217; Robertson 9-1911-1229, Berry 9-126-424, Rebounds: Sam Anlenio 42 (Berry, Anderson 61, Sacromenta 61 | Kleine 121, Assists: Sam Anlenio 17 | Wood 31, Sacromento 36 (K. Smith 10). Golden SI. Portland 25 30 18 25— 97 34 39 28 23—136

Johnson 9-14 9-14 27, Kersley 8-11 5-5 31; Horris 10-15 1-1 21, Teople 8-17 2-2 19, Assists; Golden State 19 (Gorland 7), Partland 36 (Parter 12).

#### Hockey

#### National Hockey League Leaders

Young LaForest Philodelp

Fuhr

NY Rangers (1)

apifolo (3)

Bester

Tokks

WALES CONFERENCE
Patrick Division
W L T Pts GF GA
unders 10 12 2 38 133 107
tahlo 16 13 5 37 117 122
rsey 16 14 4 36 108 119
rgh 15 13 5 35 122 128
ston 15 16 3 33 113 107
topers 1) 17 4 26 130 138
Adoms Division (Through Dec. 26) SCORING G A PTS Plm Marksrchuk
22 50 75 12 Washingfox (4)
17 42 99 39 Weeks
24 22 52 10 Sidewkewicz
21 30 51 41 Harthord
22 25 50 21 Moniton
15 33 42 55 Defroit (4)
27 25 44 13 Smith
14 31 44 6 MY Islanders 111
19 25 44 12 Warnstey
19 24 43 18 Millien
25 18 41 47 Kunnelin Massier, Edm P.Slastny, Que P. Slostny, Que 22
Goulel, Que X
Howerchuk, Wpg 17
Smith, Akt 15
Carten, LA 27
Nostund, Akt 14
Robitolile, LA 17
Kurri, Edm 15
Ciccorelli, Akn 17
Simpson, Pgh-Edm 22
GOALTENDING
| Empty-tet Goals in Pores Adems Division
'20 8 8 49 135 104
21 12 3 45 142 122
13 14 6 22 105 110
12 15 6 30 108 136
13 16 2 28 114 121 Hs Division
W 1, T Pts GF GA
15 13 4 24 127 105
13 14 5 31 17 106
12 11 2 29 123 131
13 18 2 28 118 142
11 18 5 27 107 138 TENDING (TENDING (TENDING )

ME GA 50 AVG. 

742 50 1 274 
1040 50 1 288 
2392 194 2 2.50 5mythe Division
21 10 4 44 168 129
20 12 3 43 162 125
14 15 3 3) 119 125
10 18 5 25 107 120
4 9 22 4 22 129 169

### Transition

BASEBALC CALIFORNIA—Signed Mike Witt, pitcher, le o two-ver controct. NEW YORK—Troded Steve Trout, pitcher. ond Henry Cotto, auffelder, it Szoffle for Lea Guetterman, Clay Parker and Wade Taylor, olichers, Assigned Taylor to Fort Lauderdale of the Florida State League. TEXAS—Numed Dick Each bullpen and as-

TEXAS—Numed Dick Egon bullpen and assistant bilching cooch.

BASKETBALL

Methonal Bestectbell Association
OENVER—Traded Oits Smith, goord, to
Golden State for future considerations.
GOLDEN STATE—Placed Larry Smith,
lorword, on the injuried list. man 2 (11), Kasper (161, O'Dwyer (4), Middit-ton (11), Burridge (131, Shots on coat: Buttato (on Lemetto) 13-12-8-33; Boston (on Clouder, Geriner 2 (20): Donnelly (2), Storts on wort: washington (on Gosselin) 8-7-11—26; Quebec (on Peeters) 11-8-4—25. MILWAUKEE-Activated Jerry Reynolds. word. Wolved Rickie Winslow, forword.
ORLANDO—Named Curly Neol director of

Winnipes
Winnipes
Winnipes
Winnipes
McBoin 2 (11), Howerchuk (13), Homel 2
(4); LeFentoine (20), Potvin (8), Shots on gool: New York (on Berthloume) 5-10-9-24; Winnipes (on Smith) 17-10-11-38, Los Angeles Askew, guord, FOOTBALL Matienal Football League
MIAMI—Named Eddle J. Jones vice presient at administration and finance.

Edmonton
Tikkanen (91, Sirmsson (24), McSarley (4),
Massier (22), Kurri (20): Robitolille (20), Duschesne (8). Skofs on goal: Los Angeles (an
chesne (8). Skofs on goal: Los Angeles (an
George Servinis, forwards, and Chris
Pryor, defensemen, from Kolsmarzoo of the
international Hockey League. 13-12-18-35.

Heriford 1 2 3 8-5

Heriford 7 2 2 1-4

Calegory 7 2 2 1-4

MacInnis (11), Sheehy (21, Nieuwendyk Ulica of the American Hockey Leosus.

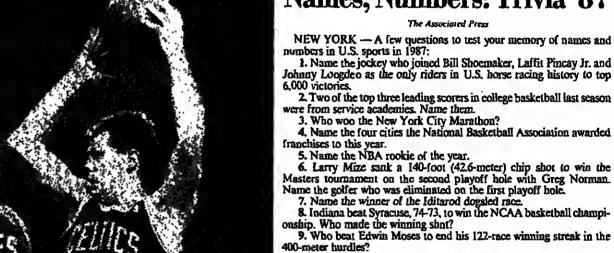
(22), McDonaid (5), Hunter (3), Raberis (5):

Lawless (4), Dinten (13), Anderson (10), Ferrora (6), Tipbett (7), Sades as easi: Heritard (on Vernant 11-16-8-2-37; Calegory Ion Wing, to Flint of the International Hockey Leosus.

957 60 0 4,14 957 60 0 2,76 1033 79 0 4,57 1991 142 9 4,28 183 14 0 4,59 795 61 0 4,50

Aigne, Bird Bomb 76ers for Celtics Danny Ainge, above pulling down a rebound, hit three threepoint baskets to key a rally from a 10-point third-quarter deficit, and Larry Bird's 25-foot three-pointer with 1:17 remaining to play gave Boston the lead for good as the Celtics downed the 76ers, 118-115, Tuesday night. In all, Boston made six of nine three-pointers, with Ainge canning four. The Celtics, who have won four straight (two against the 76ers), started a six-game road trip with their first victory in Philadelphia since November 1985.

Names, Numbers: Trivia '87



11. Thomas Hearns won the World Boxing Council middleweight crown this year to become the first boxer ever to win titles in four weight classes. Name the boxer he beat. 12. In his next to last regular-season game, Julius Erving scored 38 points for Philadelphia. What milestone did he achieve?

National Football League draft?

13. Name the skipper of Kookaburra III. 14. Alysheba won the Kentucky Derby and Preakness. Name the horse

10. What round did the Los Angeles Raiders select Bo Jackson in the

that won the Belmoot Stakes. 15. Name the injured driver Al Unser Sr. replaced on the Penske team at the Indianapolis 500. 16. Paul Molitor hit safely in 39 games. Name the pitcher to stop his

17. Name the NFL running back with the most yards gained in a game

18. Who became the No. 2 all-time scorer in NHL history this year? Name the swimmer who won eight medals (three gold) at the Pan Am Games (Bonus: Who won seven gold medals?). 20. Name the player who recently became the first player in Major

Iodoor Soccer League history to score 1,000 career points. Answers

1. Angel Cordero Jr. 2. Kevin Houston (Army) and David Robinsor (Navy); Houston was the nation's leading scorer. 3. Ibrahim Hussein o Kenya. 4. Charlotte and Miami in 1988 and Minneapolis and Orlando is 1989. 5. Chuck Person of Indianapolis. 6. Seve Ballesteros. 7. Susai Butcher. 8. Keith Smart made a 16-foot jumper with four seconds left fo the winning margin. 9. Danny Harris. 10. Seventh round, 11. Juan Roldan. 12. Erving became the third pro player ever to score 30,00 points. 13. Iain Murray. 14. Bet Twice. 15. Danny Ongais. 16. Joh: Farrell of the Cleveland Indians. 17. Bo Jackson of the Raiders ran fe 221 yards against Seattle, 18. Marcel Dionne, 19. Silvia Poll of Costa Ric (Bonus: Roller Skater José Lozano). 20. Steve Zungul, who has playe with the New York Arrows, Golden Bay, San Diego, and Tacoma.

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WASHINGTON -- New Cost of Living Guidelines"

have just come out as to how a

family of four should spend its in-

come. They note the following: The

head of the household is advised to

allocate 25 percent for housing, 25

Neil Morgan, an economics pro-

fessor at the Black Monday School

are still many who ebeat and spend

more on groceries than on the holi-

days."
"Did you find out why?" I asked

Their answers in most cases

were unsatisfactory. One bread-winner told me it was traditional in

his family to spend more on food-

stuffs than Christmas and old hab-

its are hard to change. Another said

he would rather buy oil for the

furnace than a Cabbage Patch doll that says, 'So's your old man.'

"It sounds like they have bad

They do. The 50 percent alloca-

tion for Christmas doesn't come

out of the sky. It was carefully calculated so the family would not

be caught short on presents during

most festive time of the year. It

might bave been lower except

prices have gooe through the roof

and it now takes a person twice the

man-hours to earn a popcorn mak-

"I could see some people want-

ing to spend more on edibles than

insist on increasing expenditures

United Press International

encyclopedia of New York will be

published in 1991, the New York

Historical Society and Yale Uni-

versity Press announced.

NEW YORK - A one-volume

New York in One Volume

er as it did a year ago.

for housing?

came up with

the new figures

after studying

8.000 homes

throughout the

"The thing l

discovered was

that although

many families

are following the

atutudes.

formula, there

United States.

percent for food and 50 percent for sition?"

ART BUCHWALD

Gifts for Gift Makers

greed and selfishness. In my inter-

views I found hundreds of people

who said they would rather have a

house that doesn't leak than a pool

"How could they defend that po-

They insisted giving gifts is a bottomless pit. They wouldn't buy

my economic theory that exchang-

ing presents at the holiday season is

not a luxury but a oecessity. Every

dollar invested in Christmas will

bring you back two dollars worth

of good will in return. It is a bribe

we all pay for peace and security

whether it be for our children.

grandchildren, mothers-in-law or

the postman who never rings

"Have you thought about in-creasing the slice of the pie to 60 percent instead of 50?"

"It would be ideal to lower hous-

ing and food spending to 30 per-cent and raise the holiday giving to 70 percent of one's salary. But this

might not go down well with the grocery and housing people."
That's because they don't be-

The malcontents who want to

reduce gift expenditures have their

priorities all mixed up. They would

rather eat bread pudding than invest in electric trains. They doo't

give a fig if the children are happy

"If a family were to adhere to

your salary breakdown figures,

would they get by?"
"Indeed. They should be able to

meet all their oeeds and still have

enough left over to play 'My Old Kentucky Home' on their oew syn-

Professor Morgan said while he hopes people will abide by his for-

mula the percentages are oot bur-ied in cement. There are some

families who prefer to spend all

their money on Christmas and ig-

note eating altogether, and others who would opt for sleigh bells in

the snow instead of replacing storm

gifts at Christmastime be penal-

be aware that every time they take someone off their list a teddy bear

manufacturer in Hong Koog dies."

Should the ones who don't buy

"Not necessarily, But they must

windows.

lieve in Christmas."

Page 9

<u>DSIDE</u> SHEN IND do of Ugandary, may

And of Alice Lak-Maries 450 62 25 20 Service Page 3. Me fills arsens. Page 3. Na Sacre killed in a

eli Tro

KNATHET

Herman Tarnower, the Scarsdale Diet author, says she is keeping up accompanied by a poem about her spirits in prison by working on Kafka's death in a sanitarium near a second book. Harris, 63, told the Vienna in 1924 and a lithograph of Stamford Advocate in Connecticut that her nearly completed book is titled They Always Call Us Ladies: Stories from Prison." The book is a history of the prison in Bedford Hills, New York, since its founding as a women's reformatory in 1901 and also contains anecdotes about current inmates, Harris said. It is scheduled for publication in June by Charles Scribner's Sons. Her first book, "Stranger in Two Worlds," was autobiographical. Harris is serving a 15-years-tothe 81-year-old former queen of the life sentence for shooting Tamower. House of Savoy. The Belgian-born to death in his home on March 10, Maria José, who lives in Switzer-1980. She has maintained she shot him while trying to kill herself.

on passers-by to celebrate his win-

nings of \$21,800. A newspaper car-

toon Tuesday poked fun at Spain's

gesting that only II percent of

Spaniards believes in miracles but

Jean Harris, the killer of Dr.

win the Christmas lottery.

The 1988 Wolf Foundation prize in medicine will be awarded to an American and a Belgian doctor for their discoveries in the field of genetic diseases. The \$100,000 pr will be shared by Elizabeth F. Nenfeld of the University of California at Los Angeles and Henri-Gery er sipped champagne to celebrate their luck in Spain's El Gordo, the Louvain io Brussels, the foundation said. The French-born Neurold's richest lottery. In a 224-year-old feld, 49, was honored for her work nie that vies with Santa Claus in on genetic storage diseases, includpopularity. Tuesday's Christmas ing the study of enzymatic defects. lottery showered 10.419 prizes She is a professor of biochemistry worth \$750 million on ticket hold- at the UCLA School of Medicine in ers across Spain. Although there Los Angeles and is the third wom are bigger single prizes in other an to win the prize. Hers, 64, of lotteries, Spain's Christmas draw is Brussels, discovered the first genetic storage disease. President Chaim

# A New Image of Stephen Crane

By Herbert Mitgang New York Times Service

N EW YORK — A markedly altered image of Stephen Crane that changes the familiar view of him as a dashing war correspondent appears in a new edition of his correspondence. The work adds 170 newly discovered letters by Crane and 20 by his wife, Cora, to the standard edition of his letters that came out three decades ago. "In the past, Crane was regard-

ed as a young American writer with only one good book to his credit. The Red Badge of Courage, who was scorned by his countrymen and had to flee to England to gain recognition," said Professor Stanley Wertheim who is co-editor with Professor Paul Sorrentino of the two-volume "Correspondence of Sie-

pheo Crane." It is to be published by Columbia University Press in The letters remove some of the covered-up facts about his life and character that were created

by biographers in the past," Wertheim said. "The personality found in the new material is less heroie than the one propagated by his apologists. Crane was not a neglected genius overlonked by a philistine public. He was often duplications, evasive and manipulative with people who loved him as well as with his publishers. Crane was an enormously hard worker, but he was willing -especially after he settled on an estate io England with servants

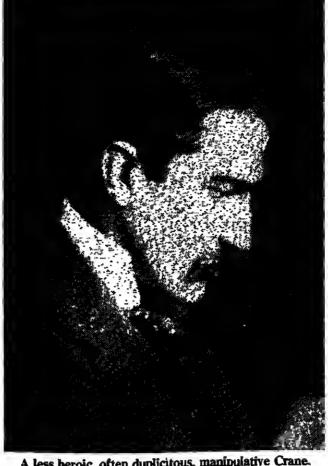
labor at hack work to support his extravagant way of life." Wertheim, who teaches at William Paterson College of New Jersey io Wayne, New Jersey, and Sorrentino, of Virginia Polytechnic Institute and State University in Blacksburg, Virginia, believe that certain missing letters - especially those between Crane and his common-law wife, Cora Taylor, the one-time hostess of a bor-

and a wine merchant to pay --- to

they met - may still turn up. la his personal collection, Wertheim has a photograph of Crane in a rented war correspoodent's uniform, complete with

dello named the Hotel de Dream

in Jacksonville, Florida, where



A less beroic, often duplicitous, manipulative Crane.

holster, sitting on papier-maché rocks. "It wasn't taken on a bat-tlefield but in the studio of C. Boehringer in Athens in May 1897." Wertheim said. The inscription is to Sam S. Chamberlain, managing editor of The New York Journal, who sent Crane to

Grecce to cover the Greco-Turkish War. While acknowledging Crane's genius, the editors show a certain ambivalence on a question long posed by scholars: how might Crane have developed had he not died of tuberculosis at age 28? Would he have written short sto-ries of the caliber of "The Open

Bost" and "The Blue Hotel" or would he have thrown away his gifts in pursuit of money?
"It's hard to predict," Werth-

eim said, "The letters reveal that Crane was a flamboyani personality who was both reclusive and mercurial, retaining his inner identity while projecting varied images of himself. He was alter-nately egocentric and generous, ethical and dishonest, rebellious and overly concerned about his

In his personal life - between journalistic assignments - Crane managed to juggle several love affairs simultaneously. While wooing Cora Taylor, he wrote fervent love letters to Amy Leslie, an actress who later became drama critic of The Chicago Daily

Crane covered his tracks in these affairs. In a letter to Leslie, addressed, "My own Sweet- a chance."

and said: "It breaks my heart to think of the delays and to think that I might have had you with me here if I had only known. . l know you won't forget me. I know you love me and I want you always to remember that I love you." The letter, signed "Your lover," deliberately omitted his name

heart," he informed her that he

was going off to the war in Cuba

Surprisingly, one letter discloses that the author of the antiwar "Red Badge of Courage" wanted military honors for himself. In an 1897 letter to his brother, William, from a hotel in Athens, Crane said: "I expect to get a position on the staff of the crown prince. Won't that he great? I am so happy over it I can hardly breathe. I shall try - I shall try like blazes to get a decoration out of the thing but that depends on good formine and is between you and I and God."

Wertheim commented: "It seems paradoxical that a writer who had exposed the futility of war and expressed an extremely cynical attitude toward heroism should lust for a decoration, but Crane's vainglorious boasts must be evaluated in the perspective of his guilt feelings over his youthful bohemianism and his desire to ingratiate himself with William, who was 17 years his senior."

To keep up with his high living on his estate in Surrey, Crane turned out stories without letup, not unlike what F. Scott Fitzgerald did when he was grinding out short pieces for The Sanurday Evening Post in the 1930s. To John Phillips, a partner in the S.S. McClure Syndicate, Crane wrote a letter in 1897, wondering: What on earth have you dooc with The Monster The

"This was a story about a hlack handyman who worked for a doctor in New Jersey," Weitheim ex-plained. "It showed Crane's great sympathy for people who were different - blacks, the disabled, eccentric and unusual - maybe like Crane himself." Wertheim considers "The Monster" one of Crane's best stories. Crane wrote, "For heaven's sake, give the story

# A Kafka Comeback? A Czech cultural weekly has printed an unusually long article on Franz Kafka, whose works are highly acceptanced in the Blood has been accepta

**PEOPLE** 

ly acclaimed in the West but have winners. Many of the big winners been disparaged and harely ac-The one-and-a-half-page article on gle winners were a 24-year-old sec-Kafka's last completed novel The retary. Belen Carretero, and her opened with a plea to reassess long Madrid, the junk dealer, Manuel ignored Czech and foreign literature. (Kafka wrote in German.) Kveta Hyrslova said the literary periodical Nove Knihy (New Books) should have a regular column for unshakeable faith in the draw, sugthose works of Czech or world literature which for this or that reason have disappeared beyond the hori- 99 percent of them believe they'll zon, leaving an empty space or, even worse, an inadequate and sometimes considerably distorted image." Hyrslova's article entitled "Newly Rediscovered Books," was the author, born in Prague in 1883.

The Italian government on Wednesday cleared the way for Maria José, widow of the last king of Italy, to return to the country after a 41-year exile imposed by the constitution. Prime Minister Gio-vanni Goria's Cahinet approved a recommendatioo made earlier this mooth by a special court to lift the constitutional han on the entry of land, made a request last year to return to Italy. Her husband, Um-berto II, died in exile four years ago. Umberto reigned for 26 days before being forced into exile in 1946 after a referendum abolished the monarchy.

A junk dealer handed out ciga-rette lighters and a mushroom picknings. "I doo't know how much I Herzog of Israel will present the won but there is certain to be food prizes in May

Kiosk

#### TODAY'S

#### INTERNATIONAL REAL ESTATE MARKETPLACE

Appears on page 10

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MERRY CHRISTMAS, Hoppy New Your Charle & Tom 143
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